



Journal of the House

State of Indiana

113th General Assembly

Second Regular Session

Fourteenth Meeting Day

Monday Afternoon

January 26, 2004

The House convened at 1:30 p.m. with the Speaker in the Chair.

The invocation was offered by Reverend Linda Philabaun, First Presbyterian Church, Lewisville, the guest of Representative Thomas E. Saunders.

The Pledge of Allegiance to the Flag was led by Representative Saunders.

The Speaker ordered the roll of the House to be called:

T. Adams	Kromkowski ...
Aguilera	Kruse
Alderman	Kuzman
Austin	LaPlante ...
Avery	L. Lawson
Ayres	Lehe
Bardon	Leonard
Becker	Liggett
Behning	J. Lutz
Bischoff	Lytle
Borror	Mahern
Bosma	Mangus
Bottorff	Mays
C. Brown	McClain
T. Brown	Messer
Buck	Moses
Budak	Murphy
Buell	Neese
Burton	Noe
Cheney	Orentlicher
Cherry	Oxley
Chowning	Pelath
Cochran	Pflum
Crawford	Pierce
Crooks	Pond
Day	Porter
Denbo	Reske
Dickinson	Richardson
Dobis	Ripley
Duncan	Robertson
Dvorak	Ruppel
Espich ...	Saunders
Foley	Scholer
Frenz	V. Smith
Friend	Stevenson
Frizzell ...	Stilwell
Fry	Stutzman ...
GiaQuinta	Summers ...
Goodin	Thomas
Grubb	Thompson
Gutwein	Torr
Harris	Turner
Hasler	Ulmer ...
Heim	Van Haaften
Herrell ...	Welch
Hinkle	Whetstone
Hoffman	Wolkins
Kersey	D. Young
Klinker	Yount
Koch	Mr. Speaker

Roll Call 31: 92 present; 8 excused. The Speaker announced a quorum in attendance. [NOTE: ... indicates those who were excused.]

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Engrossed Senate Bills 52, 70, 106, 149, 152, 160, 183, 188, 226, 231, 233, and 281 and the same are herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Engrossed Senate Joint Resolution 4 and the same is herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed House Concurrent Resolution 7 and the same is herewith returned to the House.

MARY C. MENDEL
Principal Secretary of the Senate

The Speaker yielded the gavel to the Deputy Speaker Pro Tempore, Representative Harris.

RESOLUTIONS ON FIRST READING

House Concurrent Resolution 8

Representatives Becker, C. Brown, Hinkle, T. Adams, Welch, Budak, Hasler, and Espich introduced House Concurrent Resolution 8:

A CONCURRENT RESOLUTION recognizing the American Cancer Society and its volunteers for the work they have done to make 2004 Indiana Lobby Day a success, as well as the work they do in communities across the state of Indiana.

Whereas, The American Cancer Society is the nationwide community-based voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives and diminishing suffering from cancer, through research, education, advocacy and service;

Whereas, Cancer is estimated to cause the death of approximately 13,000 Hoosiers in 2003;

Whereas, Approximately 31,200 Hoosiers were diagnosed with cancer in 2003;

Whereas, The number one and two cancer killers of Hoosiers—Lung and Bronchus and Colon and Rectum -- have killed approximately 5,300 Hoosiers in 2003;

Whereas, Breast Cancer is the second most common cancer among women in Indiana, and it killed approximately 900 in 2003;

Whereas, The American Cancer Society is currently funding \$6,834,000 in cancer research within Indiana;

Whereas, The Society provides services and education programs in all 92 Indiana counties, including Road to Recovery, Hope Lodge services, Reach for Recovery, Great American Smokeout, and a 1-800-ACS-2345 for 24 hour up-to-date cancer information;

Whereas, The American Cancer Society has brought about an increase in community awareness of cancer and its impact, has

stimulated public action toward an increase in research toward a cure, and has led the charge for better treatment opportunities for persons affected by cancer; and

Whereas, The American Cancer Society volunteers in the state of Indiana should be commended for their tremendous work to better the lives of those diagnosed with this disease and their families through research, education, advocacy and service: Therefore,

*Be it resolved by the House of Representatives
of the General Assembly of the State of Indiana,
the Senate concurring:*

SECTION 1. That the Indiana General Assembly wishes to recognize the outstanding accomplishments all volunteers involved with the American Cancer Society for their hard work, dedication and desire to assist Hoosier families who have suffered, are suffering, or have family members or friends suffering or lost to cancer.

SECTION 2. That the Principal Clerk of the House of Representatives send copies of this resolution to Patricia Richards, along with three additional copies to the Central Indiana Office of the American Cancer Society.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsors: Senators Miller, Breaux, and Craycraft.

House Concurrent Resolution 9

Representatives Torr, Richardson, Foley, and C. Brown introduced House Concurrent Resolution 9:

A CONCURRENT RESOLUTION honoring the National Multiple Sclerosis Society, Indiana State Chapter upon its 50th Anniversary.

Whereas, The National Multiple Sclerosis Society is dedicated to ending the devastating effects of multiple sclerosis;

Whereas, The National Multiple Sclerosis Society funds more MS research, offers more services for people with MS, and provides more professional education program than any other MS organization in the world;

Whereas, The National Multiple Sclerosis Society, Indiana State Chapter celebrates 50 years of service on Tuesday, January 20, 2004; and

Whereas, The National Multiple Sclerosis Society gives hope to hundreds of thousands of individuals who endure the chronic disease that a cure will be discovered: Therefore,

*Be it resolved by the House of Representatives
of the General Assembly of the State of Indiana,
the Senate concurring:*

SECTION 1. That the Indiana General Assembly honors the National Multiple Sclerosis Society, Indiana State Chapter upon its 50th anniversary of service to our community and commends the Society and its members for the work they do in battling this disease and providing hope and assistance to those who endure its effects.

SECTION 2. That the Principal Clerk of the House of Representatives transmit a copy of this resolution to the National Multiple Sclerosis Society, Indiana Chapter.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator Lubbers.

House Concurrent Resolution 10

Representatives Thompson and Whetstone introduced House Concurrent Resolution 10:

A CONCURRENT RESOLUTION to honor Lebanon, Indiana resident and legendary midget race car driver Mel Kenyon upon his 50th season of racing.

Whereas, Midget race car driver Mel Kenyon bought his first race car in 1954 and won his first series title in 1962, beginning a spectacular career that includes 380 feature victories and 10 championships;

Whereas, He has qualified for eight Indianapolis 500 races, finishing in the top five in four of the famed racing spectacles, including a third place finish in 1968;

Whereas, A fiery crash in 1965 at the Langhorne (PA) Speedway that left him severely injured did not keep Mel Kenyon from doing what he says he would rather be doing than anything else;

Whereas, In 2003, Mel Kenyon celebrated his 70th birthday, began his 49th season of racing, and was inducted into the International Motorsports Hall of Fame;

Whereas, He continues to work with his brother and son at the family-owned business, 3K Racing, located just steps from his rural home in Lebanon, IN; and

Whereas, Mel Kenyon, one of Indiana's celebrated sons, is poised to begin his 50th season of racing: Therefore,

*Be it resolved by the House of Representatives
of the General Assembly of the State of Indiana,
the Senate concurring:*

SECTION 1. That the Indiana General Assembly honors Mel Kenyon, legendary midget race car driver and Lebanon, Indiana resident, upon his 50th season of motorsport racing.

SECTION 2. That the Principal Clerk of the House of Representatives is directed to transmit a copy of this resolution to Mel Kenyon.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsors: Senators Harrison and C. Lawson.

House Concurrent Resolution 11

Representatives Thompson and Whetstone introduced House Concurrent Resolution 11:

A CONCURRENT RESOLUTION to honor the Lizton, Indiana Tri-West High School football team upon its Class 2A State Championship victory.

Whereas, Lizton, Indiana's Tri-West "Bruins" High School football team roared through a 15-game season in 2003 to earn its berth at the Class 2A state championship game against Fort Wayne Harding;

Whereas, Winning 14 of its 15 games, the Bruins showcased their talent and expertise as individuals and as a team, and

Whereas, Team coach Mark Haste, who with this victory secured his second state football championship, says the 2003 Bruins was a team of players who gave themselves over to the team and wanted to win; that they were unselfish and shared the same vision; and that they were willing to sacrifice individual things for a state championship: Therefore,

*Be it resolved by the House of Representatives
of the General Assembly of the State of Indiana,
the Senate concurring:*

SECTION 1. That the Indiana General Assembly congratulates and honors the Tri-West High School football team and its coach, Mark Haste, upon its Class 2A state championship title.

SECTION 2. The Principal Clerk of the House of Representatives is directed to transmit a copy of this resolution to the Tri-West High School football team.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsors: Senators Harrison and C. Lawson.

House Concurrent Resolution 12

Representatives Thompson and Whetstone introduced House Concurrent Resolution 12:

A CONCURRENT RESOLUTION to honor 2003 Tri-West High School football quarterback and Lizton, Indiana native T. J. Siple upon being named the Class 2A Phil N. Eskew Mental Attitude Award winner.

Whereas, T. J. Siple of Lizton, Indiana and the senior quarterback for the Tri-West "Bruins" High School football team guided his teammates to a 41-36 victory over Fort Wayne Harding to win the 2003 Class 2A state championship;

Whereas, Just minutes following that tremendous achievement, he was named the Class 2A Phil N. Eskew Mental Attitude Award

winner;

Whereas, This prestigious award is presented each year to a football state finalist who "excels in mental attitude, scholarship and athletic ability;"

Whereas, T. J. Siple led the state in passing yards (3,682) and set new school records for career passing yards and touchdown passes;

Whereas, In addition to his accomplishments on the football field, T. J. Siple is an active participant of the local Youth 4 Youth program; a leader in the Bruin Council, a student leadership organization at Tri-West; and is an excellent student, ranking 13th in a class of 106 with a 3.56 grade point average; and

Whereas, T. J. Siple shared his true spirit as a team member in his response to winning this award by saying, "...it was great to receive an award like that, but I owe my teammates everything. They're the ones who got us to state and, without getting there, I wouldn't have had the chance to get the awards. They did just as much or more work than I did": Therefore,

*Be it resolved by the House of Representatives
of the General Assembly of the State of Indiana,
the Senate concurring:*

SECTION 1. That the Indiana General Assembly congratulates T. J. Siple upon guiding the Tri-West High School football team to the Class 2A state championship, and for being named the Class 2A Phil N. Eskew Mental Attitude Award winner.

SECTION 2. The Principal Clerk of the House of Representatives is directed to transmit a copy of this resolution to T. J. Siple.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsors: Senators Harrison and C. Lawson.

House Resolution 4

Representative Grubb introduced House Resolution 4:

A HOUSE RESOLUTION recognizing Charles, Morris, Russell, John, Bill, Orville, and Ray Bush.

Whereas, Charles and Zula Bush of Kingman, Indiana, had 13 children—nine boys and four girls, of which two sons died in infancy;

Whereas, The Bush sons are shining examples of the American spirit in times of crisis;

Whereas, Charles, Morris, Russell, John, Bill, Orville, and Ray Bush served their country bravely and with loyalty during World War II, the Korean War, and the Vietnam conflict;

Whereas, The Bush brothers served their country in different branches of the service: Charles in the United States Coast Guard during World War II, Morris as a member of the Seabees during World War II, Russell in the Navy during the Korean War, John as a member of the Air Force during the Korean War, Bill as a peace-time member of the National Guard, Orville in the Marine Corps during the Vietnam conflict, where he was awarded a Purple Heart, and Ray in the Army during the Vietnam conflict;

Whereas, Charles, Morris, Russell, John, Bill, Orville, and Ray, like millions of other Americans who have answered their country's call, did not seek personal glory, but instead they sought peace and freedom for the future generations of our country;

Whereas, These seven men truly represent the spirit of our great country and deserve our recognition and gratitude; and

Whereas, It is to a great extent through the efforts of American families like the Bush family that the United States has remained the land of the free and the home of the brave for over 200 years: Therefore,

*Be it resolved by the House of Representatives
of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives would like to acknowledge the many contributions the Bush brothers have made to their state and their country to make it a safer and better place to live.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Charles,

Morris, Russell, John, Bill, Orville, and Ray Bush and their families.

The resolution was read a first time and adopted by voice vote.

House Resolution 6

Representatives Bardon, Porter, and Summers introduced House Resolution 6:

A HOUSE RESOLUTION congratulating the Cardinal Ritter High School football team on its victory in the 2003 Indiana High School Athletic Association Class A football championship game.

Whereas, The Cardinal Ritter Raiders became the 2003 Indiana High School Athletic Association (IHSAA) Class A football champions with a 28-0 victory over Seeger High School;

Whereas, This victory marked the first shutout in a Class A state title game since 1992;

Whereas, This is the second state championship in any sport for the Cardinal Ritter Raiders;

Whereas, The Raiders finished the season with a 12 - 2 record;

Whereas, Devin Moore rushed for 210 yards on 27 carries and scored a touchdown;

Whereas, The Raiders offense was spectacular in the championship game, but the defense was equally impressive, holding Seeger to 231 yards, 177 yards below the team's average, and keeping the team that ranked fourth in the state with an average of 43 points a game scoreless; and

Whereas, Excellence in athletics requires dedication and hard work, and the members and coaches of the Cardinal Ritter team have displayed the type of determination that resulted in victory: Therefore,

*Be it resolved by the House of Representatives
of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives congratulates the Cardinal Ritter High School football team on its victory in the 2003 IHSAA Class A football championship and wishes the team well in future endeavors.

SECTION 2. That the Principal Clerk of the House of Representatives transmit a copy of this resolution to team members Alex Byrnes, Anthony Gregory, Devin Moore, Drake Barrett, Keith Radcliff, Akeyron Hunter, Sam Elmore, Kevin Forrest, Adam Recker, P. J. Heim, Spencer King, Nick Sanders, Shea Barrett, and David Evans; Coach Jim Boswell; President Paul Lockard; and Director of Institutional Advancement Pam Pankiewicz.

The resolution was read a first time and adopted by voice vote.

House Resolution 7

Representative L. Lawson introduced House Resolution 7:

A HOUSE RESOLUTION assigning the House Study Committee on International Trade and Labor Issues to study the topic of equal pay for men and women.

Whereas, Equal pay has been the law since 1963 when President John F. Kennedy signed the Equal Pay Act, which required employers to pay equal pay for equal work;

Whereas, Forty years later, women are still paid less than men;

Whereas, A study conducted by the United States General Accounting Office (GAO) that tracked the careers of 9,300 people for 18 years found that the pay gap between men and women who work full time has grown in the past 20 years;

Whereas, Pay inequity between men and women is a particular problem in Indiana;

Whereas, Indiana has the third largest gender gap in wages in the United States;

Whereas, The Working Women's Department of the AFL-CIO reports that Hoosier women earn 66 cents for every dollar earned by Hoosier men, and Hoosier women of color earn 93 cents to every dollar earned by white women;

Whereas, The reasons for this continuing pay gap are unknown; and

Whereas, The state of Indiana must find a solution to this problem: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the House Study Committee on International Trade and Labor Issues be assigned the study of the topic of equal pay for men and women.

The resolution was read a first time and adopted by voice vote.

House Resolution 8

Representatives T. Adams, Liggett, and J. Lutz introduced House Resolution 8:

A HOUSE RESOLUTION honoring Gordon Burke.

Whereas, In the parable of the Good Samaritan, we are taught to love thy neighbor as thyself;

Whereas, Gordon Burke is a modern example of a Good Samaritan;

Whereas, On March 17, 2003, Gordon Burke was driving on a bridge over the White River when he noticed a man and a little girl drowning in the water. Nearby was an inflatable boat;

Whereas, Without hesitation or regard for his own safety, Gordon Burke grabbed the boat, tied a rope around it, and jumped into the freezing water;

Whereas, Once in the water, Gordon Burke swam toward the man and the little girl;

Whereas, Gordon Burke reached for the little girl first and placed her in the boat. He put an arm around the man and, while holding on to the rope that was tied to the boat, he swam to shore; and

Whereas, Because of Gordon Burke's brave deed, this man and little girl survived. It is fitting to honor a person who puts the welfare of others above his own: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the Indiana House of Representatives wishes to express its admiration for Gordon Burke and to thank him on behalf of the citizens of the State of Indiana for showing concern for his fellow citizens and for risking his life to save others.

SECTION 2. That the Principal Clerk of the House of Representatives transmit a copy of this resolution to Gordon Burke and his family.

The resolution was read a first time and adopted by voice vote.

House Resolution 9

Representative Liggett introduced House Resolution 9:

A HOUSE RESOLUTION honoring Kim Haffner.

Whereas, Attendance is one of the most crucial factors in determining academic success;

Whereas, Good attendance is a forerunner to success in life;

Whereas, Kim Haffner understands how important regular school attendance can be to a successful and rewarding life;

Whereas, Kim has perfect attendance for 13 years, never missing a day of school from kindergarten through grade 12;

Whereas, It is truly a tremendous accomplishment for a student to achieve perfect attendance;

Whereas, Perfect attendance requires dedication to a goal and steadfast adherence to that goal despite outside influences; and

Whereas, Kim Haffner has served as a model of consistency and dedication for her fellow students throughout her school career: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the Indiana House of Representatives wishes to congratulate Kim Haffner on her perfect attendance record throughout her school career and to wish her well in her future endeavors.

SECTION 2. That the Principal Clerk of the House of

Representatives transmit a copy of this resolution to Kim Haffner and her family.

The resolution was read a first time and adopted by voice vote.

House Resolution 10

Representative Yount introduced House Resolution 10:

A HOUSE RESOLUTION to honor and recognize the First Presbyterian Preschool upon its 50th Anniversary.

Whereas, First Presbyterian Preschool was formed on January 11, 1954 and has continued to offer an early childhood education to children for the past 50 years;

Whereas, As First Presbyterian Preschool celebrates its anniversary, it remains committed to showing God's love in action through caring adults;

Whereas, Children learn to relate to each other, their family and their world in a physically and emotionally safe environment; and

Whereas, First Presbyterian Preschool will continue to instill life-long learning skills in children by offering developmentally appropriate learning experiences, affirming each child's worth and by providing parental support with anticipation of many more years of education excellence: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. The House of Representatives of the Indiana General Assembly congratulates and commends the First Presbyterian Preschool program for its foresight 50 years ago, and for its commitment in the years since, to providing early childhood development programming for the children and families of its congregation and to the community as a whole.

SECTION 2. That the Principal Clerk of the House of Representatives transmit a copy of this resolution to First Presbyterian Preschool and to Representative Yount.

The resolution was read a first time and adopted by voice vote.

House Resolution 11

Representative Frizzell introduced House Resolution 11:

A HOUSE RESOLUTION to honor the Francis Marion Hendley Clan branch of The Hendley Family Association Inc., on the occasion of its 25th Anniversary.

Whereas, The Francis Marion Hendley Clan was inaugurated into existence on January 1, 1976 as one of two branches of The Hendley Family Association, Inc.;

Whereas, The Francis Marion Hendley Clan was established to represent the descendants of Mr. Francis Marion Hendley, born March 13, 1851, in Jackson (now Putnam) County, Tennessee, one of two sons of Adin S. Hendley of whom his descendants established The Hendley Family Association, Inc.;

Whereas, The Francis Marion Hendley Clan, at its establishment, was allowed three executive officers and those elected were: Mrs. Mildred Louise Hendley-Burgdolf, President, of Howell, Michigan; Mr. Freddie Allan Hendley, Sr., Vice President, of Edinburgh, Indiana; and Mrs. Susie Marie Hendley-Rodgers, Secretary, of Franklin, Indiana;

Whereas, The Francis Marion Hendley Clan established in its by-laws the same ceremonial position adopted by The Hendley Family Association, Inc. in its by-laws and the incorporation charter filed in Nashville, Tennessee, the title of Clan Elder for the eldest member having not already ascended to the ceremonial position of Chief Elder of The Hendley Family Association, Inc. Those who have held this honor are: the late Mr. Wilbur J. Hendley, Sr. of Franklin, Indiana 1976-1983; the late Mrs. Jewell Catherine Hendley-Taylor-Medley of Franklin, Indiana 1983-1998; Mr. John Hayden Hendley of Franklin, Indiana 1998-2003; Mrs. Mildred Louise Hendley-Burgdolf of Ft. Worth, Texas 2003-present;

Whereas, The Francis Marion Hendley Clan has the honor of having the first Chief Elder of The Hendley Family Association, Inc., the late Mrs. Sarah Elizabeth Hendley-Hale of LaPlace, Illinois January 1-March 6, 1976, and those who have ascended since then

are: the late Mrs. Jewell Catherine Hendley-Taylor-Medley of Franklin, Indiana August 24, 1998-February 2, 1999; Mr. John Hayden Hendley of Franklin, Indiana July 28, 2003-present;

Whereas, The Francis Marion Hendley Clan revised its by-laws in 2002 and established a board of directors with representatives elected from two Tribes created from the two great grandsons of Francis Marion Hendley; elected and inaugurated on January 1, 2003 were: EXECUTIVE OFFICERS; Mrs. Mildred Louise Hendley-Burgdolf, President, of Ft. Worth, Texas (ascended to the position of Clan Elder on July 28, 2003); Mrs. Lilly Mae Hendley-Eisenmenger, Vice President, of Prince's Lake, Indiana (ascended to the Office of President of the Francis Marion Hendley Clan on Mrs. Mildred Louise Hendley-Burgdolf's ascension to the position of Clan Elder); Mr. Curtiss R. Hendley of Franklin, Indiana was appointed Vice President to fill Mrs. Eisenmenger's vacancy; Mrs. Susie Marie Hendley-Rodgers-McClusky of North Vernon, Indiana, re-elected Clan Secretary;

Whereas, The Francis Marion Hendley Clan's first board of directors is: Representing the John H. Hendley Tribe: Mr. Curtiss Ross Hendley of Franklin, Indiana (appointed to fill the vacancy of the Clan Vice President July 28, 2003); Mrs. Helena Mae Hendley-Shugars of Martinsville, Indiana (appointed to the board to fill the vacancy of Mr. Curtiss R. Hendley); and Ms. Sharon E. Hagan of Franklin, Indiana. Representing the Wilbur J. Hendley, Sr. Tribe is: Mrs. Carla Ann Hendley-Doty of Trafalgar, Indiana; and Mr. Billy F. Hendley of Providence, Indiana;

Whereas, The Francis Marion Hendley Clan's Tribal officers are: for the Wilbur J. Hendley, Sr. Tribe: Mrs. Lilly Mae Hendley-Eisenmenger of Prince's Lake, Indiana, President; Mrs. Susie Marie Hendley-McClusky of North Vernon, Indiana, Vice President; Mr. Robert D. Kinser of Franklin, Indiana, Secretary. For the John H. Hendley Tribe: Mrs. Patricia Ann Botts of Franklin, Indiana, President; Ms. Sharon E. Hagan of Greenwood, Indiana, Vice President; Mr. Thomas D. Hagan of Franklin, Indiana, Secretary;

Whereas, The Francis Marion Hendley Clan sponsored its first unofficial family reunion on Memorial Day 1972 at the home of Mr. and Mrs. Billy F. Hendley then of Banta, Indiana. It hosted the first provisional reunion of the to-be Hendley Family Association, inviting the members of the other branch of the family, the to-be William Meredith Hendley Clan to the farm of Mr. and Mrs. Billy F. Hendley, then of Providence, Indiana on Memorial Day 1975; the official Francis Marion Hendley Clan United States Bicentennial Reunion was held at the farm of Mr. and Mrs. Billy F. Hendley, again at Providence, Indiana on Memorial Day 1976, with the last current reunion being June 23, 2001, at the Johnson County Park near Edinburgh, Indiana in honor of its Twenty-Fifth Anniversary;

Whereas, The Francis Marion Hendley Clan has had the honor of seeing two national presidents elected for The Hendley Family Association, Inc. Mr. Billy F. Hendley of Providence, Indiana 1978-1979, and Mr. William H. Hendley of Indianapolis, Indiana 1982 to the present;

Whereas, The Francis Marion Hendley Clan has had the honor seeing elected all the national secretaries of The Hendley Family Association, Inc. Mrs. Julie T. Hendley of Indianapolis, Indiana 1976-1981, and Mrs. Terri Lynn Hendley-Webb of Franklin, Indiana 1982 to the present;

Whereas, The Francis Marion Hendley Clan has had the honor of seeing two elected association genealogists of The Hendley Family Association, Inc. Mr. William H. Hendley of Indianapolis, Indiana 1976-1981, and Mrs. Mildred Louise Hendley-Burgdolf of Ft. Worth, Texas 1982-1999;

Whereas, The Francis Marion Hendley Clan has had the honor of electing outstanding individuals to the national board of directors to be its representatives; they are: Mr. Billy F. Hendley of Providence, Indiana 1976-1977; Mr. Freddie A. Hendley, Sr. 1976-present; Mr. Bryan D. Hendley of Columbus, Indiana 1982-2001; and Mr. Timothy H. Hendley of Trafalgar, Indiana 2001-present; and

Whereas, The Francis Marion Hendley Clan and its members have supported local and state historical and community projects to

enhance the lives of fellow Hoosiers. From supplying an antique car and color guard countless times to the July 4th Peoga, Indiana Parade; to placing a historical marker at Anita, Indiana; to honoring the HEROIC HOOSIER CIVIL WAR CITIZENS in the Rotunda of the Indiana State House; to making and donating pew seat cushions to the World War II chapel at Camp Atterbury; members of the Francis Marion Hendley Clan have served their communities, as well as The Hendley Family Association, Inc.: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the General Assembly of the State of Indiana conveys special recognition to the Francis Marion Hendley Clan, a branch of The Hendley Family Association, Inc. on its 25th Anniversary, and to honor and commend its officers, past and present, as well as its general membership for its involvement in the communities, which has enhanced the lives of all Hoosiers.

SECTION 2. That the Principal Clerk of the Indiana House of Representatives shall transmit copies of this resolution to: Mrs. Mildred L. Burgdolf, Clan Elder; Mrs. Lilly M. Eisenmenger, Clan President; Mr. Curtiss R. Hendley, Clan Vice President; Mrs. Susie M. McClusky, Clan Secretary; Clan Board of Directors: Mrs. Carla A. Doty; Ms. Sharon E. Hagan; Mr. Billy F. Hendley; Mrs. Helena M. Shugars; Mrs. Patricia A. Botts, President of the John H. Hendley Tribe; Mr. William H. Hendley, National President of The Hendley Family Association, Inc.; Mrs. Terri L. Webb, National Secretary of The Hendley Family Association, Inc.; Mr. Freddie A. Hendley, Sr. and Mr. Timothy H. Hendley, both of the National Board of Directors of The Hendley Family Association, Inc.; Tennessee Governor Phil Bredesen; the Honorable Jere L. Hargrove, Chairman, Commerce Committee, Tennessee House of Representatives.

The resolution was read a first time and adopted by voice vote.

House Resolution 12

Representatives Avery and Hasler introduced House Resolution 12:

A HOUSE RESOLUTION honoring the University of Evansville on the occasion of the sesquicentennial celebration of its founding.

Whereas, The University of Evansville was established in 1854 as Moores Hill Male and Female College in the town of Moores Hill in Dearborn County in southeastern Indiana;

Whereas, In 1917, Evansville resident George S. Clifford proposed moving the college to Evansville;

Whereas, In a presentation to a special session of the Indiana Conference of the Methodist Church, Mr. Clifford showed the group a map indicating if a circle with a 50 mile radius was drawn around each of the colleges in the state, none of the circles touched Evansville;

Whereas, The Evansville community was heavily involved in raising the funds needed to move the college;

Whereas, After a successful fundraising campaign, Moores Hill Male and Female College was moved to Evansville in 1919 and renamed Evansville College;

Whereas, Evansville College provided a quality education to the citizens of Evansville and southern Indiana and grew in size and reputation; and, in 1967, the name of the college was changed to the University of Evansville; and

Whereas, The University of Evansville is observing its sesquicentennial with a celebration marking its continuous operation as a private institution of higher education providing quality education for 150 years and will commemorate that event on February 29, 2004, the University's Founders Day: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the state of Indiana join in the celebration by proclaiming February 29, 2004, the University of Evansville Day.

SECTION 2. That the Principal Clerk of the House of Representatives transmit a copy of this resolution to the members of the board of trustees, the president, and the officers of the University

of Evansville.

The resolution was read a first time and adopted by voice vote.

The House recessed until the fall of the gavel.

RECESS

The House reconvened at 3:55 p.m. with the Speaker in the Chair.

Representatives Herrell, LaPlante, Stutzman, and Summers, who had been excused, were present.

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Senate Concurrent Resolution 17 and the same is herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

RESOLUTIONS ON FIRST READING

Senate Concurrent Resolution 17

The Speaker handed down Senate Concurrent Resolution 17, sponsored by Representative Dvorak:

A CONCURRENT RESOLUTION to recognize South Bend Clay High School senior Jason Brown for his second Indiana State Shot Put Championship this past 2003 season.

Whereas, Jason Brown competed in the 2003 IHSAA Boys State Track Finals as the defending State Shot Put Champion;

Whereas, Mr. Brown's winning shot put throw traveled 62 feet and 11 inches to become the longest at a state meet since 1997;

Whereas, His entire series consisting of 62 feet, 11 inches; 61 feet, 9 inches; another at about 61 feet; and his final effort reaching the 60 foot line; was one of the best series in Indiana high school history;

Whereas, Jason Brown is a role model for young adults throughout the state of Indiana by demonstrating to others how hard work and dedication will make a young adult successful in any endeavor: Therefore,

*Be it resolved by the Senate
of the General Assembly of the State of Indiana,
the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly recognizes South Bend Clay High School senior Jason Brown for winning the 2003 Indiana Boys Track State Title in Shot Put.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this resolution to South Bend Clay High School Principal Dr. Ruth Warren, Head Coach Earl Hairston, and the 2003 Indiana Shot Put Champion, Jason Brown.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

ACTION ON GUBERNATORIAL VETOES

House Enrolled Act 1525

MESSAGE FROM THE GOVERNOR

House Enrolled Act 1525 addresses several criminal law issues. It protects victim identity information from disclosure during the discovery process. It makes resisting law enforcement a C felony rather than a D felony if a person uses a vehicle to flee or to create a substantial risk of bodily injury while fleeing. It provides a new defense to trafficking with an inmate. It makes contributing to delinquency a C felony instead of an A misdemeanor if a person knowingly or intentionally furnishes an alcoholic beverage, controlled substance, or drug to a minor and the minor's consumption is the proximate cause of anyone's death. It also contains a non-code section requiring a certain penal facility employee to have re-determination of an adverse employment action.

I support several sections of this bill. The provisions regarding victim identifying information are important. Also, the elevation of sentences for resisting law enforcement and contributing to delinquency probably represent good policy. I am aware of the tragic situation in Northwest Indiana that motivated the change in the statute governing contributing to delinquency.

But during this time of budget stringency, it is necessary to evaluate with special care all provisions that alter sentences in a manner that increases the burden on the Department of Correction. The budget provides no additional funds for the Department's facilities, so additional commitments to the Department will require it to contract for bed space in private facilities or local jails. I must be attentive to these costs in evaluating this legislation.

Based upon the conservative assumption that half of those currently incarcerated for D-felony resisting a police officer did so by making use of an automobile (the other basis for D-felony resisting is use of a dangerous weapon), the elevation of this charge to C felony would cost the state in excess of \$5 million in correctional costs.

Aside from costs, there are two other reasons to veto this bill. The change in the statute adding a defense to the charge of trafficking with an inmate is bad public policy and would make it extremely difficult for the Department of Correction to operate its facilities. The bill would take from the Department and give to a criminal court judge the authority to determine whether certain items are "necessary for the health or safety" of a prisoner. Anything determined by a court to fall into this category could be provided to the prisoner, even if it was prohibited by the Department or otherwise would hamper administration of a correctional facility. In a prison, any item can serve as currency among inmates. The liberalization of the trafficking statute accomplished by this bill would severely undermine the ability of the Department to administer its facilities.

The bill also contains a provision that would require the Department to provide a "redetermination" of an adverse employment taken against an employee for trafficking with a prisoner. This provision of the bill applies to only one person. This provision represents inappropriate legislative interference with the executive branch's administration of its own personnel system. The disciplinary process has been completed for the employee at issue in this section of the bill, and its result should be allowed to stand.

I hereby veto House Enrolled Act 1525 and return it to the House for further action.

Date: May 8, 2003

FRANK O'BANNON
Governor

The Speaker handed down House Enrolled Act 1525, passed by the First Regular Session of the 113th General Assembly.

AN ACT to amend the Indiana Code concerning criminal law and procedure.

The merits of House Enrolled Act 1525 and the governor's veto were debated. The question was, Shall House Enrolled Act 1525 pass, the Governor's veto notwithstanding?

Roll Call 32: yeas 1, nays 93. The Governor's veto was sustained.

House Enrolled Act 1660

MESSAGE FROM THE GOVERNOR

House Enrolled Act 1660 contains various provisions regarding endangered adults. Endangered adults are defined as persons over 18 years of age who are incapable of managing their own property or caring for themselves by reason of mental illness, mental retardation, dementia or other physical or mental incapacity, and who are threatened with harm by abuse or neglect.

The bill includes a requirement that the Adult Protective Services Unit investigate any report alleging that a resident of a health care facility is an endangered adult. Current law requires that the Indiana State Department of Health refer each such report for investigation before an investigation can occur, and HEA 1660 eliminates the requirement that ISDH make referrals. It is a good idea to eliminate the statutory requirement of a referral by the State Department of Health, but at this time the State Department of Health is referring for

investigation every case it receives. Therefore the intent of this provision of the statute already is being carried out.

The other provisions of the bill increase criminal penalties for battery on an endangered

adult. The bill elevates battery on an endangered adult from a D felony to a C felony if serious injury results from the battery, and elevates the offense to a B felony if death results.

These additional penalties are a concern because they will place additional burdens on the Department of Correction, while the budget bill has provided the Department with no additional resources to meet that burden. Currently, the Department has custody of approximately 400 offenders who have been committed for D-felony battery. The Department does not have statistics on how many of those offenders committed battery on endangered adults, but battery is only a D felony if the victim is a member of one of several statutorily specified categories, including law enforcement officers, teachers, persons under 14, and endangered adults. Making the conservative assumption that only five percent of those committed to the Department of Correction for D-felony battery victimized endangered adults, the longer sentences mandated by this bill could increase the prison population and create an additional cost of as much as \$400,000 per year as a result of this legislation.

The General Assembly also has passed HEA 1145, a bill calling for a comprehensive review of sentencing. This legislation recognizes that the time has come for a comprehensive review of sentencing statutes and practices in Indiana.

The proper course is for the General Assembly to reconsider this bill, both because there are no appropriated funds to deal with the additional costs of this legislation and in light of recommendations by the sentencing commission called for by HEA 1145. If the General Assembly chooses to override this veto, it should do so in light of sentencing policies advanced through the method prescribed in HEA 1145. It should also provide the resources necessary to deal with the additional correctional costs generated by the bill.

I hereby veto House Enrolled Act 1660 and return it to the House for further action.

Date: May 1, 2003

FRANK O'BANNON
Governor

The Speaker handed down House Enrolled Act 1660, passed by the First Regular Session of the 113th General Assembly.

AN ACT to amend the Indiana Code concerning criminal law and procedure.

The merits of House Enrolled Act 1660 and the governor's veto were debated. The question was, Shall House Enrolled Act 1660 pass, the Governor's veto notwithstanding?

Roll Call 33: yeas 93, nays 2. The Governor's veto was overridden.

House Enrolled Act 1798

MESSAGE FROM THE GOVERNOR

House Enrolled Act 1798 deals with four aspects of environmental law. It establishes authority for county stormwater management districts to pay for and manage federal stormwater programs. It addresses the mandate by the Indiana Department of Environmental Management regarding stormwater pipes. It requires cessation of the automobile emissions testing program in Clark and Floyd Counties in 2006 unless certain conditions exist. It also addresses Indiana's authority to regulate wetlands.

As this message explains, I have decided to veto this bill because its resolution of wetlands issues is unsatisfactory even as a starting place for state regulation.

Stormwater provisions

This bill lays the groundwork for the counties to move forward and effectively implement an important federal stormwater management program to improve the water quality of Indiana's rivers and streams. I support that effort.

Relative to the stormwater provisions of HEA 1798, my

administration will work with counties to implement the federal stormwater management program. It is unfortunate that new authority to establish a mechanism to implement this federal provision will be delayed. I am confident that the stormwater authority can ultimately be established in time to develop effective stormwater management plans.

Auto emissions testing provisions

Relative to automobile emissions testing in Clark and Floyd Counties, my administration will take no step to extend the existing contract for the automobile emission testing program in Clark and Floyd Counties before the end of the next session of the General Assembly. The earliest this testing could stop without incurring penalties is December 31, 2006, so time remains to address this issue.

Wetlands provisions

The bill also addresses the issue of "isolated wetlands" in Indiana. A U.S. Supreme Court decision in 2001 left about one-third of our state's wetlands without federal protection. State authority to regulate these wetlands has been challenged and is now in state court.

I asked the Department of Natural Resources, Department of Environmental Management and the Office of the Commissioner of Agriculture to work together and with others this session and beyond to establish a sound wetland conservation strategy for Indiana. The state agencies have participated in all discussions relating to legislation and worked to provide information to Hoosiers and legislators on wetlands.

HEA 1798 contains the results of this year's deliberations on wetland legislation. The bill creates an isolated wetland protection scheme. The bill notes goals of "no net loss of wetlands" and a "net gain of high quality wetlands," and I support those goals.

It is clear, however, that HEA 1798 will not achieve these goals.

Wetlands are natural resources that function to enhance the state's water quality, to enhance our natural habitat and to provide recreational opportunities. The continued net loss of wetlands in a state that has lost about 85 percent of the original wetlands is unacceptable.

I commend members of the General Assembly, particularly those who participated in last summer's Environmental Quality Services Council study of wetlands issues, for their hard work on this complex subject. Nevertheless, even the sponsors of SEA 1798 have acknowledged that more work is needed to finalize sound wetland conservation law for Indiana. I agree.

Wetlands policy should take into account the variety of interest and be appropriate for Indiana. However, the concerns with this bill go beyond mere differences of opinion on the parameters of wetlands to be protected. Most isolated wetlands would be subject to no protections because of their size or because they would fall into the new definition of "pond." The bill would allow excavation in isolated wetlands, contrary to federal rules and the program Indiana has operated historically. The new definition of "pond" would likely prevent Indiana from complying with the federal Clean Water Act. The bill would void more than 2,000 projects that were subject to permitting for wetland development under former rules, even if those projects would be covered under HEA 1798. It would create wetlands classifications that are not supported by scientific definitions, and it fails to define many key terms. The bill would greatly narrow the definition of "waters" of the State. It would not achieve the certainty for developers and others in the regulated community that was the original intention of this legislation. Some of these may be unintended consequences, as some provisions did not receive full debate during the legislative process. But they are of high concern.

Accordingly, I have asked Lori Kaplan, the Commissioner of IDEM; John Goss, the Director of IDNR; and Joe Pearson, Assistant Commissioner of Agriculture to establish a Governor's Task Force on Wetlands. The Wetlands Task Force will prepare recommendations for the General Assembly to consider in 2004 to further shape wetlands conservation law in Indiana.

Commissioners Kaplan and Pearson and Director Goss will solicit knowledgeable members of the environmental, business, agriculture communities, interested legislators and known wetland experts to

participate in the Task Force. The Task Force should address the specific issues I have identified in this veto message, as well as other issues raised by the public and Task Force members. The Task Force should complete its work by November 1, 2004.

I understand that vetoing HEA 1798 means that the authority of the state to protect isolated wetlands is now in the hands of the Indiana Supreme Court. I am confident that, with more time and good faith efforts, Indiana can fashion a sound wetlands law that balances our environment and natural resources with economic development. I do not believe that HEA 1798 accomplishes this balance.

I hereby veto House Enrolled Act 1798 and return it to the House for further action.

Date: May 8, 2003

FRANK O'BANNON
Governor

The Speaker handed down House Enrolled Act 1798, passed by the First Regular Session of the 113th General Assembly.

AN ACT to amend the Indiana Code concerning environmental management.

The merits of House Enrolled Act 1798 and the governor's veto were debated. The question was, Shall House Enrolled Act 1798 pass, the Governor's veto notwithstanding?

Roll Call 34: yeas 63, nays 30. The Governor's veto was overridden.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Human Affairs, to which was referred House Bill 1082, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 6, delete "a" and insert **"the"**.

Page 1, line 6, after "agency" insert **"described in subsection (a)"**.

Page 1, line 10, after "agency" insert **"described in subsection (a)"**.

(Reference is to HB 1082 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

SUMMERS, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1096, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 12, reset in roman **"and"**.

Page 3, line 12, delete **"or"**.

Page 6, line 35, delete "unreasonably withhold consent to" and insert **"deny access upon notice by"**.

Page 7, line 1, delete "the consent" and insert **"notice to"**.

Page 7, line 2, before "the tenant" delete **"of"**.

(Reference is to HB 1096 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 3.

L. LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1098, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Replace the effective dates in SECTIONS 1 through 14 with **"[EFFECTIVE JANUARY 1, 2005]"**.

Page 2, line 33, after "the" insert **"child restraint system"**.

Page 2, line 38, delete **"tall."** and insert **"tall at the time of the**

alleged offense."

Page 3, line 8, delete **"tall;"** and insert **"tall at the time of the alleged offense;"**.

Page 3, line 10, after "the" insert **"child restraint system"**.

Page 3, line 23, after "the" insert **"child restraint system"**.

Page 3, line 41, after "the" insert **"child restraint system"**.

Page 4, line 14, after "seat" insert **"and the front passenger seat"**.

(Reference is to HB 1098 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 2.

L. LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures, to which was referred House Bill 1171, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 9, nays 0.

PELATH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1178, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, delete lines 12 through 16.

Page 3, line 17, delete **"9."** and insert **"8."**.

(Reference is to HB 1178 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 11, nays 0.

L. LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred House Bill 1207, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 6-1.1-12.1-3, AS AMENDED BY P.L.90-2002, SECTION 118, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) An applicant must provide a statement of benefits to the designating body. If the designating body requires information from the applicant for economic revitalization area status for use in making its decision about whether to designate an economic revitalization area, the applicant shall provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter. Otherwise, the statement of benefits form must be submitted to the designating body before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the proposed redevelopment or rehabilitation.

(2) An estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the redevelopment or rehabilitation and an estimate of the annual salaries of these individuals.

(3) An estimate of the value of the redevelopment or rehabilitation.

With the approval of the designating body, the statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(b) The designating body must review the statement of benefits required under subsection (a). The designating body shall determine whether an area should be designated an economic revitalization area or whether a deduction should be allowed, based on (and after it has made) the following findings:

- (1) Whether the estimate of the value of the redevelopment or rehabilitation is reasonable for projects of that nature.
- (2) Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- (3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- (4) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- (5) Whether the totality of benefits is sufficient to justify the deduction.

A designating body may not designate an area an economic revitalization area or approve a deduction unless the findings required by this subsection are made in the affirmative.

(c) Except as provided in subsections (a) through (b), the owner of property which is located in an economic revitalization area is entitled to a deduction from the assessed value of the property. If the area is a residentially distressed area, the period is not more than five (5) years. For all other economic revitalization areas designated before July 1, 2000, the period is three (3), six (6), or ten (10) years. For all economic revitalization areas designated after June 30, 2000, the period is the number of years determined under subsection (d). The owner is entitled to a deduction if:

- (1) the property has been rehabilitated; or
- (2) the property is located on real estate which has been redeveloped.

The owner is entitled to the deduction for the first year, and any successive year or years, in which an increase in assessed value resulting from the rehabilitation or redevelopment occurs and for the following years determined under subsection (d). However, property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only entitled to a deduction for a five (5) year period. In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for a ten (10) year period.

(d) For an area designated as an economic revitalization area after June 30, 2000, that is not a residentially distressed area, the designating body shall determine the number of years for which the property owner is entitled to a deduction. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

- (1) as part of the resolution adopted under section 2.5 of this chapter; or
- (2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor who shall make the deduction as provided in section 5 of this chapter.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(e) Except for deductions related to redevelopment or rehabilitation of real property in a county containing a consolidated city or a deduction related to redevelopment or rehabilitation of real property initiated before December 31, 1987, in areas designated as economic revitalization areas before that date, a deduction for the redevelopment or rehabilitation of real property may not be approved for the following facilities:

- (1) Private or commercial golf course.
- (2) Country club.
- (3) Massage parlor.
- (4) Tennis club.
- (5) Skating facility (including roller skating, skateboarding, or

ice skating).

(6) Racquet sport facility (including any handball or racquetball court).

(7) Hot tub facility.

(8) Suntan facility.

(9) Racetrack.

(10) Any facility the primary purpose of which is:

- (A) retail food and beverage service;
- (B) automobile sales or service; or
- (C) other retail;

unless the facility is located in an economic development target area established under section 7 of this chapter.

(11) Residential, unless:

- (A) the facility is a multifamily facility that contains at least twenty percent (20%) of the units available for use by low and moderate income individuals;
- (B) the facility is located in an economic development target area established under section 7 of this chapter; or
- (C) the area is designated as a residentially distressed area.

(12) A package liquor store that holds a liquor dealer's permit under IC 7.1-3-10 or any other entity that is required to operate under a license issued under IC 7.1. This subdivision does not apply to an applicant that:

(A) was eligible for tax abatement under this chapter before July 1, 1995; ~~or~~

(B) is described in IC 7.1-5-7-11; ~~or~~

(C) operates a facility under:

(i) a beer wholesaler's permit under IC 7.1-3-3;

(ii) a liquor wholesaler's permit under IC 7.1-3-8; or

(iii) a wine wholesaler's permit under IC 7.1-3-13;

for which the applicant claims a deduction under this chapter.

(f) This subsection applies only to a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000). Notwithstanding subsection (e)(11), in a county subject to this subsection a designating body may, before September 1, 2000, approve a deduction under this chapter for the redevelopment or rehabilitation of real property consisting of residential facilities that are located in unincorporated areas of the county if the designating body makes a finding that the facilities are needed to serve any combination of the following:

- (1) Elderly persons who are predominately low-income or moderate-income persons.
- (2) Disabled persons.

A designating body may adopt an ordinance approving a deduction under this subsection only one (1) time. This subsection expires January 1, 2011.

SECTION 2. IC 7.1-2-3-16.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 16.5. (a) As used in this section, "facility" includes the following:

(1) A facility to which IC 7.1-3-1-25(a) applies.

(2) A tract that contains a premises that is described in ~~IC 7.1-3-1-14(c)(2)~~; **IC 7.1-3-1-14(c)(2)**.

(3) A horse track or satellite facility to which IC 7.1-3-17.7 applies.

(4) A tract that contains an entertainment complex.

(b) As used in this section, "tract" has the meaning set forth in IC 6-1.1-1-22.5.

(c) A facility may advertise alcoholic beverages:

- (1) in the facility's interior; or
- (2) on the facility's exterior.

(d) The commission may not exercise the prohibition power contained in section 16(a) of this chapter on advertising by a brewer, distiller, rectifier, or vintner in or on a facility.

(e) Notwithstanding IC 7.1-5-5-10 and IC 7.1-5-5-11, a facility may provide advertising to a permittee that is a brewer, distiller, rectifier, or vintner in exchange for compensation from that permittee.

SECTION 3. IC 7.1-3-1-14, AS AMENDED BY P.L.136-2000, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 14. (a) It is lawful for an appropriate permittee, unless otherwise specifically provided in this title, to sell alcoholic beverages each day Monday through Saturday from 7 a.m., prevailing local time, until 3 a.m., prevailing local time,

the following day. Sales shall cease wholly on Sunday at 3 a.m., prevailing local time, and not be resumed until the following Monday at 7 a.m., prevailing local time.

(b) It is lawful for the holder of a supplemental retailer's permit ~~which is not specified in subsection (c)~~ to sell the appropriate alcoholic beverages on Sunday from ~~noon; 10 a.m.,~~ prevailing local time, until ~~12:30 a.m.; 3 a.m.,~~ prevailing local time, the following day.

~~(c) It is lawful for the holder of a supplemental retailer's permit to sell the appropriate alcoholic beverages on Sunday from 11:00 a.m., prevailing local time, until 12:30 a.m., prevailing local time, the following day if the holder of the permit meets the following criteria:~~

~~(1) the holder of the permit is a hotel; or~~

~~(2) the holder of the permit meets the requirements of 905 IAC 4-1-2(a).~~

~~(d) Notwithstanding subsections (b) and (c), if December 31 (New Year's Eve) is on a Sunday, it is lawful for the holder of a supplemental retailer's permit to sell the appropriate alcoholic beverages on Sunday, December 31 from the time provided in subsection (b) or (c) until 3 a.m. the following day.~~

~~(e) (c)~~ It is lawful for the holder of a permit under this article to sell alcoholic beverages at athletic or sports events held on Sunday upon premises that:

(1) are described in section 25(a) of this chapter;

(2) are a facility used in connection with the operation of a paved track more than two (2) miles in length that is used primarily in the sport of auto racing; or

(3) are being used for a professional or an amateur tournament; beginning one (1) hour before the scheduled starting time of the event or, if the scheduled starting time of the event is 1 p.m. or later, beginning at noon.

~~(f) (d)~~ It is lawful for the holder of a valid beer, wine, or liquor wholesaler's permit to sell to the holder of a valid retailer's or dealer's permit at any time.

SECTION 4. IC 7.1-3-2-7, AS AMENDED BY P.L.177-1999, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 7. The holder of a brewer's permit or an out-of-state brewer holding either a primary source of supply permit or an out-of-state brewer's permit may do the following:

(1) Manufacture beer.

(2) Place beer in containers or bottles.

(3) Transport beer.

(4) Sell and deliver beer to a person holding a beer wholesaler's permit issued under IC 7.1-3-3.

(5) If the brewer's brewery manufactures not more than twenty thousand (20,000) barrels of beer in a calendar year, do the following:

(A) Sell and deliver beer to a person holding a retailer or a dealer permit under this title.

(B) Be the proprietor of a restaurant.

(C) Hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant established under clause (B).

(D) Transfer beer directly from the brewery to the restaurant by means of:

(i) bulk containers; or

(ii) a continuous flow system.

(E) Install a window between the brewery and an adjacent restaurant that allows the public and the permittee to view both premises.

(F) Install a doorway or other opening between the brewery and an adjacent restaurant that provides the public and the permittee with access to both premises.

(G) Sell the brewery's beer by the glass for consumption on the premises.

(6) If the brewer's brewery manufactures more than twenty thousand (20,000) barrels of beer in a calendar year, own a portion of the corporate stock of another brewery that:

(A) is located in the same county as the brewer's brewery;

(B) manufactures less than twenty thousand (20,000) barrels of beer in a calendar year; and

(C) is the proprietor of a restaurant that operates under subdivision (5).

(7) Sell and deliver beer to a consumer at the plant of the brewer or at the residence of the consumer. The delivery to a consumer shall be made only in a quantity at any one (1) time of not more than one-half ($\frac{1}{2}$) barrel, but the beer may be contained in bottles or other permissible containers.

(8) Provide complimentary samples of beer that are:

(A) produced by the brewer; and

(B) offered to consumers for consumption on the brewer's premises.

(9) Own a portion of the corporate stock of a sports corporation that:

(A) manages a minor league baseball stadium located in the same county as the brewer's brewery; and

(B) holds a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant located in that stadium.

(10) For beer described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the beer on the licensed premises; and

(B) may not sell, offer to sell, or allow sale of the beer on the licensed premises.

SECTION 5. IC 7.1-3-9-11, AS ADDED BY P.L.12-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 11. (a) A liquor retailer may allow customers to sample the following:

(1) **Beer.**

(2) Wines.

~~(2) (3)~~ Liquors.

~~(3) (4)~~ Liqueurs and cordials (as defined in 27 CFR 5.22(h)).

(b) Sampling is permitted only:

(1) on the liquor retailer's permit premises; and

(2) during the permittee's regular business hours.

(c) A liquor retailer may not charge for the samples provided to customers.

(d) Sample size of wines may not exceed one (1) ounce.

(e) In addition to the other provisions of this section, a liquor retailer who allows customers to sample liquors, liqueurs, or cordials shall comply with all of the following:

(1) A liquor retailer may allow a customer to sample only a combined total of two (2) liquor, liqueur, or cordial samples per day.

(2) Sample size of liqueurs or cordials may not exceed one-half ($\frac{1}{2}$) ounce.

(3) Sample size of liquors may not exceed four-tenths (0.4) ounce.

(f) A sample size of beer may not exceed six (6) ounces.

SECTION 6. IC 7.1-3-9-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 12. (a) **This section applies to:**

(1) the holder of a three-way permit that is issued to a civic center, a sports arena, a stadium, an exhibition hall, an auditorium, a theater, a tract that contains a premises that is described in IC 7.1-3-1-14(c)(2), or a convention center; or

(2) the holder of a catering permit while catering alcoholic beverages at a civic center, a sports arena, a stadium, an exhibition hall, an auditorium, a theater, a tract that contains a premises that is described in IC 7.1-3-1-14(c)(2), or a convention center.

(b) As used in this section, "suite" means an area in a building or facility referred to in subsection (a) that:

(1) is not accessible to the general public;

(2) has accommodations for not more than seventy-five (75) persons per suite; and

(3) is accessible only to persons who possess a ticket:

(A) to an event in a building or facility referred to in subsection (a); and

(B) that entitles the person to occupy the area while viewing the event described in clause (A).

The term does not include a restaurant, lounge, or concession area even if access to the restaurant, lounge, or concession area is limited to certain ticket holders.

(c) A permittee may allow the self-service of individual

servings of alcoholic beverages in a suite.

(d) A person who:

- (1) possesses a ticket described in subsection (b)(3); and
- (2) is at least twenty-one (21) years of age;

may obtain an alcoholic beverage in a suite by self-service.

(e) A permittee may do any of the following:

(1) Demand that a person occupying a suite provide:

- (A) a written statement under IC 7.1-5-7-4; and
- (B) identification indicating that the person is at least twenty-one (21) years of age.

(2) Supervise the self-service of alcoholic beverages.

(3) Have an employee in the suite who holds an employee permit under IC 7.1-3-18-9 to serve some or all of the alcoholic beverages.

SECTION 7. IC 7.1-3-10-13, AS AMENDED BY P.L.12-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 13. (a) A liquor dealer permittee who is a proprietor of a package liquor store may allow customers to sample the following:

(1) Beer.

(2) Wines.

~~(3) Liquors.~~

~~(4) Liqueurs and cordials (as defined in 27 CFR 5.22(h)).~~

(b) Sampling is permitted:

- (1) only on the package liquor store permit premises; and
- (2) only during the store's regular business hours.

(c) No charge may be made for the samples provided to the customers.

(d) Sample size of wines may not exceed one (1) ounce.

(e) In addition to the other provisions of this section, a proprietor who allows customers to sample liquors, liqueurs, or cordials shall comply with all of the following:

(1) A proprietor may allow a customer to sample not more than a combined total of two (2) liquor, liqueur, or cordial samples per day.

(2) Sample size of liqueurs or cordials may not exceed one-half (½) ounce.

(3) Sample size of liquors may not exceed four-tenths (0.4) ounce.

(f) Sample size of beer may not exceed six (6) ounces.

SECTION 8. IC 7.1-3-17.5-6, AS ADDED BY P.L.250-2003, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. Notwithstanding IC 7.1-5-5-7, the holder of an excursion and adjacent landsite permit may, subject to the approval of the commission, provide alcoholic beverages to guests without charge at an event on the licensed premises if all the following requirements are met:

(1) The event is attended by not more than ~~five hundred (500)~~ **one thousand (1,000)** guests.

(2) The event is not more than ~~three (3)~~ **six (6)** hours in duration.

(3) Each alcoholic beverage dispensed to a guest:

(A) is entered into a cash register that records and itemizes on the cash register tape each alcoholic beverage dispensed; and

(B) is entered into a cash register as a sale and at the same price that is charged to the general public.

(4) At the conclusion of the event, all alcoholic beverages recorded on the cash register tape are paid by the holder of the excursion and adjacent landsite permit.

(5) All records of the alcoholic beverage sales, including the cash register tape, shall be maintained by the holder of the excursion and adjacent landsite permit for not less than two (2) years.

(6) The holder of the excursion and adjacent landsite permit complies with the rules of the commission.

SECTION 9. IC 7.1-3-20-16.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 16.1. (a) This section applies to a municipal riverfront development project authorized under section 16(d) of this chapter.

(b) In order to qualify for a permit, an applicant must demonstrate that the municipal riverfront development project

area where the permit is to be located meets the following criteria:

(1) The project boundaries must border on at least one (1) side of a river.

(2) The proposed permit premises may not be located more than one thousand five hundred (1,500) feet or three (3) city blocks from the river, whichever is greater.

(3) The project must be funded in part with state and city money.

(4) The boundaries of the municipal riverfront development project must be designated by ordinance or resolution by the legislative body (as defined in IC 36-1-2-9(3) or IC 36-1-2-9(4)) of the city in which the project is located.

(c) Proof of compliance with subsection (b) must consist of the following documentation, which is required at the time the permit application is filed with the commission:

(1) A detailed map showing:

(A) definite boundaries of the entire municipal riverfront development project; and

(B) the location of the proposed permit within the project.

(2) A copy of the local ordinance or resolution of the local governing body authorizing the municipal riverfront development project.

(3) Detailed information concerning the expenditures of state and city funds on the municipal riverfront development project.

(d) At the request of the city executive with the approval of the city legislative body, the commission may consider an application for a proposed permit premises, the location of which does not meet the criteria of subsection (b)(2), if all other requirements of this section and section 16(d) of this chapter are satisfied.

(e) A permit may not be issued if the proposed permit premises is the location of an existing three-way permit subject to IC 7.1-3-22-3.

SECTION 10. IC 7.1-3-21-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. ~~Residency Requirements.~~ (a) The commission shall not issue:

(1) an alcoholic beverage ~~wholesaler's~~, retailer's or dealer's permit of any type; or

(2) a wine wholesaler's or liquor wholesaler's permit;

to a person who has not been a continuous and bona fide resident of this state for five (5) years immediately preceding the date of the application for a permit.

(b) The commission may issue a beer wholesaler's permit to a person who is:

(1) not a resident of Indiana at the time the person applies for a beer wholesaler's permit; and

(2) a resident of Indiana before final approval of the permit transfer or issuance by the commission.

SECTION 11. IC 7.1-3-21-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. (a) ~~Corporations.~~ The commission shall not issue:

(1) an alcoholic beverage ~~wholesaler's~~, retailer's or dealer's permit of any type; or

(2) a wine wholesaler's or liquor wholesaler's permit;

to a corporation unless sixty percent (60%) of the outstanding common stock is owned by persons who have been continuous and bona fide residents of this state for five (5) years.

(b) The commission may issue a beer wholesaler's permit to a corporation if at least sixty percent (60%) of the outstanding common stock is owned by persons who are:

(1) not residents of Indiana at the time the application is made to the commission for a beer wholesaler's permit; and

(2) residents of Indiana before final approval of the permit transfer or issuance by the commission.

(c) The commission shall not issue ~~an alcoholic beverage~~ a liquor wholesaler's permit of any type to a corporation unless at least one (1) of the stockholders shall have been a resident, for at least one (1) year immediately prior to making application for the permit, of the county in which the licensed premises are to be situated.

~~(d)~~ (d) Each officer and stockholder of a corporation shall possess all other qualifications required of an individual applicant for that

particular type of permit.

SECTION 12. IC 7.1-3-21-5.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5.2. (a) The commission shall not issue:

(1) an alcoholic beverage ~~wholesalers, retailers~~ **retailer's or dealer's** permit of any type; or

(2) a wine wholesaler's or liquor wholesaler's permit;

to a limited partnership unless at least sixty percent (60%) of the partnership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) **The commission may issue a beer wholesaler's permit to a limited partnership if at least sixty percent (60%) of the partnership interest is owned by persons who are:**

(1) **not residents of Indiana at the time the application is made to the commission for a beer wholesaler's permit; and**

(2) **residents of Indiana before final approval of the permit transfer or issuance by the commission.**

(c) The commission shall not issue ~~an alcoholic beverage~~ **a liquor** wholesaler's permit ~~of any type~~ to a limited partnership unless for at least one (1) year immediately before making application for the permit, at least one (1) of the persons having a partnership interest has been a resident of the county in which the licensed premises are to be situated.

(~~c~~) (d) Each general partner and limited partner of a limited partnership must possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 13. IC 7.1-3-21-5.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5.4. (a) The commission shall not issue:

(1) an alcoholic beverage ~~wholesalers, retailers~~ **retailer's or dealer's** permit of any type; or

(2) a wine wholesaler's or liquor wholesaler's permit;

to a limited liability company unless at least sixty percent (60%) of the membership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) **The commission may issue a beer wholesaler's permit to a limited liability company if at least sixty percent (60%) of the membership interest is owned by persons who are:**

(1) **not residents of Indiana at the time the application is made to the commission for a beer wholesaler's permit; and**

(2) **residents of Indiana before final approval of the permit transfer or issuance by the commission.**

(c) The commission shall not issue ~~an alcoholic beverage~~ **a liquor** wholesaler's permit ~~of any type~~ to a limited liability company unless for at least one (1) year immediately before making application for the permit, at least one (1) of the persons having a membership interest has been a resident of the county in which the licensed premises are to be situated.

(~~c~~) (d) Each manager and member of a limited liability company must possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 14. IC 7.1-5-7-11, AS AMENDED BY P.L.117-2000, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) The provisions of sections 9 and 10 of this chapter shall not apply if the public place involved is one (1) of the following:

- (1) Civic center.
- (2) Convention center.
- (3) Sports arena.
- (4) Bowling center.
- (5) Bona fide club.
- (6) Drug store.
- (7) Grocery store.
- (8) Boat.
- (9) Dining car.
- (10) Pullman car.
- (11) Club car.
- (12) Passenger airplane.
- (13) Horse racetrack facility holding a recognized meeting permit under IC 4-31-5.
- (14) Satellite facility (as defined in IC 4-31-2-20.5).
- (15) Catering hall under IC 7.1-3-20-24 that is not open to the public.

(16) That part of a hotel or restaurant which is separate from a room in which is located a bar over which alcoholic beverages are sold or dispensed by the drink.

(17) Entertainment complex.

(18) Indoor golf facility.

(19) A recreational facility such as a golf course, bowling center, or similar facility to which IC 7.1-3-16.5-2(c) applies.

(20) **A licensed premises owned or operated by an educational institution of higher learning (as defined in IC 20-12-15-1).**

(21) **An automobile race track.**

(b) For the purpose of this subsection, "food" means meals prepared on the licensed premises. It is lawful for a minor to be on licensed premises in a room in which is located a bar over which alcoholic beverages are sold or dispensed by the drink if all the following conditions are met:

(1) The minor is eighteen (18) years of age or older.

(2) The minor is in the company of a parent, guardian, or family member who is twenty-one (21) years of age or older.

(3) The purpose for being on the licensed premises is the consumption of food and not the consumption of alcoholic beverages.

SECTION 15. IC 7.1-5-9-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 10. ~~Retailer Owning Interest in Another Permit Prohibited:~~ (a) **Except as provided in subsection (b), it is unlawful for a holder of a retailer's permit of any type to acquire, hold, own, or possess an interest of any type in a manufacturer's or wholesaler's permit of any type.**

(b) **It is lawful for a holder of a retailer's permit of any type to acquire, hold, own, or possess an interest of any type in a brewer's permit for a brewery that manufactures not more than twenty thousand (20,000) barrels of beer in a calendar year.**

SECTION 16. IC 7.1-5-9-5 IS REPEALED [EFFECTIVE JULY 1, 2004].

SECTION 17. [EFFECTIVE UPON PASSAGE] **IC 6-1.1-12.1-3, as amended by this act, applies to property taxes first due and payable after December 31, 2004.**

SECTION 18. [EFFECTIVE JULY 1, 2004] **IC 7.1-3-20-16.1, as added by this act, applies to an application for a permit received after June 30, 2004.**

SECTION 19. [EFFECTIVE JULY 1, 2004] (a) **This SECTION applies to a permit issued before July 1, 2004, under IC 7.1-3-21-3.**

(b) **A permit described in subsection (a) that does not meet the requirements of IC 7.1-3-21-3 (as it existed on June 30, 2004) is valid and enforceable.**

SECTION 20. **An emergency is declared for this act.**

(Reference is to HB 1207 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 1.

LYTLE, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1253, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 11, delete **"and enrollees"**.

Page 2, line 12, strike "provided for in subdivision (3):".

Page 2, line 13, delete **"(A)"**.

Page 2, line 13, strike "between their residence and the school;".

Page 2, line 13, delete **"and"** and insert **"between one (1) school and another school but not between their residence and the school."**

Page 2, run in lines 12 through 13.

Page 2, delete line 14. Page 2, line 18, after "transportation" insert **"between their residence and the school"**.

(Reference is to HB 1253 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

PORTER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1330, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 13, nays 0.

L. LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1364, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 16, delete "requirements for its" and insert **"obligations to fund any"**.

Page 2, line 18, delete "under any resolution or that may be".

Page 2, line 19, delete "of the" and insert **"or management of, or security for,"**.

Page 2, line 31, after "state" insert **"in carrying out the action"**.

Page 2, line 38, after "of" insert **", and payable solely as provided in,"**.

Page 2, delete lines 40 through 42.

Page 3, line 1, delete "(4)" and insert **"(3)"**.

Page 3, line 2, delete "pay" and insert **"fulfill"**.

Page 3, line 2, delete "limited debt".

Page 3, line 2, after "obligations" insert **"under the master settlement agreement"**.

Page 3, line 18, delete "brought against" and insert **"challenging"**.

Page 3, line 20, after "unenforceable" insert **"or violates federal antitrust law"**.

Page 3, line 29, delete "and" and insert **"or"**.

Page 3, line 29, delete "courts" and insert **"court"**.

Page 4, line 3, delete "its" and insert **"the amounts and revenues due under"**.

Page 4, line 4, delete "investment in".

Page 4, line 12, delete "securitizing the revenue stream from" and insert **"the securitization of the amounts and revenues due under"**.

Page 4, line 13, delete "between the state and tobacco product manufacturers".

Page 6, line 42, after "state." insert **"The corporation is subject to the provisions of 25 IAC 5 concerning equal opportunities for minority business enterprises and women's business enterprises to participate in procurement and contracting processes."**.

Page 8, line 29, after "proceeds of" delete "the".

Page 10, line 21, after "revenues" insert **"as provided in the resolution or trust agreement authorizing or securing the bonds"**.

Page 11, line 7, delete "a" and insert **"the"**.

Page 13, line 31, delete "part of" and insert **"considered to be incorporated in"**.

Page 15, line 21, after "sales" insert **"agreements"**.

Page 15, line 25, after "sales" insert **"agreements"**.

Page 19, line 10, after "or" insert **"on"**.

(Reference is to HB 1364 as introduced.)
and when so amended that said bill do pass.

Committee Vote: yeas 15, nays 7.

CRAWFORD, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1365, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-2.5-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. For purposes of this chapter:

(a) "Use" means the exercise of any right or power of ownership over tangible personal property.

(b) "Storage" means the keeping or retention of tangible personal property in Indiana for any purpose except the subsequent use of that property solely outside Indiana.

(c) "A retail merchant engaged in business in Indiana" includes any retail merchant who makes retail transactions in which a person acquires personal property **or services** for use, storage, or consumption in Indiana and who: ~~maintains:~~

(1) ~~maintains~~ an office, place of distribution, sales location, sample location, warehouse, storage place, or other place of business which is located in Indiana and which the retail merchant maintains, occupies, or uses, either permanently or temporarily, either directly or indirectly, and either by ~~himself~~ **the retail merchant** or through ~~an~~ **a representative**, agent, or subsidiary; ~~or~~

(2) ~~maintains~~ a representative, agent, salesman, canvasser, or solicitor who, while operating in Indiana under the authority of and on behalf of the retail merchant or a subsidiary of the retail merchant, sells, delivers, **installs, repairs, assembles, sets up, accepts returns of, bills, invoices,** or takes orders for sales of tangible personal property **or services** to be used, stored, or consumed in Indiana;

(3) **is otherwise required to register as a retail merchant under IC 6-2.5-8-1; or**

(4) **may be required by the state to collect tax under this article to the extent allowed under the Constitution of the United States and federal law.**

(d) Notwithstanding any other provision of this section, tangible or intangible property that is:

(1) owned or leased by a person that has contracted with a commercial printer for printing; and

(2) located at the premises of the commercial printer;

shall not be considered to be, or to create, an office, a place of distribution, a sales location, a sample location, a warehouse, a storage place, or other place of business maintained, occupied, or used in any way by the person. A commercial printer with which a person has contracted for printing shall not be considered to be in any way a representative, an agent, a salesman, a canvasser, or a solicitor for the person."

Page 3, between lines 33 and 34, begin a new paragraph and insert:
"SECTION 5. IC 6-2.5-8-10, AS AMENDED BY P.L.254-2003, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 10. (a) A person that:

(1) makes retail transactions from outside Indiana to a destination in Indiana;

(2) does not maintain a place of business in Indiana; and

(3) either:

(A) engages in the regular or systematic soliciting of retail transactions from potential customers in Indiana;

(B) enters into a contract to provide property or services to an agency (as defined in IC 4-13-2-1) or ~~an~~ **a state educational** institution of ~~higher education~~ (as defined in IC 20-12-0.5-1); ~~or~~

(C) agrees to sell property or services to an agency (as defined in IC 4-13-2-1) or an institution of higher education (as defined in IC 20-12-0.5-1); **or**

(D) is closely related to another person that maintains a place of business in Indiana or is described in clause (A), (B), or (C);

shall file an application for a retail merchant's certificate under this chapter and collect and remit tax as provided in this article. Conduct described in subdivision (3)(B) and (3)(C) occurring after June 30, 2003, constitutes consent to be treated under this article as if the person has a place of business in Indiana or is engaging in conduct described in subdivision (3)(A), including the provisions of this article that require a person to collect and remit tax under this article.

(b) A person is rebuttably presumed to be engaging in the regular or systematic soliciting of retail transactions from potential customers in Indiana if the person does any of the following:

- (1) Distributes catalogs, periodicals, advertising flyers, or other written solicitations of business to potential customers in Indiana, regardless of whether the distribution is by mail or otherwise and without regard to the place from which the distribution originated or in which the materials were prepared.
- (2) Displays advertisements on billboards or displays other outdoor advertisements in Indiana.
- (3) Advertises in newspapers published in Indiana.
- (4) Advertises in trade journals or other periodicals that circulate primarily in Indiana.
- (5) Advertises in Indiana editions of a national or regional publication or a limited regional edition in which Indiana is included as part of a broader regional or national publication if the advertisements are not placed in other geographically defined editions of the same issue of the same publication.
- (6) Advertises in editions of regional or national publications that are not by the contents of the editions geographically targeted to Indiana but that are sold over the counter in Indiana or by subscription to Indiana residents.
- (7) Broadcasts on a radio or television station located in Indiana.
- (8) Makes any other solicitation by telegraphy, telephone, computer data base, cable, optic, microwave, or other communication system.

(c) A person not maintaining a place of business in Indiana is considered to be engaged in the regular or systematic soliciting of retail transactions from potential customers in Indiana if the person engages in any of the activities described in subsection (b) and:

- (1) makes at least one hundred (100) retail transactions from outside Indiana to destinations in Indiana during a period of twelve (12) consecutive months; or
- (2) makes at least ten (10) retail transactions totaling more than one hundred thousand dollars (\$100,000) from outside Indiana to destinations in Indiana during a period of twelve (12) consecutive months.

(d) **Subject to subsection (e)**, the location in or outside Indiana of vendors that:

- (1) are independent of a person that is soliciting customers in Indiana; and
- (2) provide products or services to the person in connection with the person's solicitation of customers in Indiana:

(A) including products and services such as creation of copy, printing, distribution, and recording; **but**

(B) **excluding:**

- (i) **delivery of goods;**
- (ii) **billing or invoicing for the sale of goods;**
- (iii) **providing repairs of goods;**
- (iv) **assembling or setting up goods for use by the purchaser; or**
- (v) **accepting returns of unwanted or damaged goods;**

is not to be taken into account in the determination of whether the person is required to collect use tax under this section.

(e) **Subsection (d) does not apply if the person soliciting orders is closely related to the vendor.**

(f) **For purposes of subsections (a) and (e), a person is closely related to another person if:**

(1) **the two (2) persons:**

- (A) **use an identical or a substantially similar name, trademark, or good will to develop, promote, or maintain sales;**
- (B) **pay for each other's services in whole or in part contingent on the volume or value of sales; or**
- (C) **share a common business plan or substantially coordinate their business plans; and**

(2) **either:**

- (A) **one (1) or both of the persons are corporations and:**
 - (i) **one (1) person; and**
 - (ii) **any other person related to the person in a manner that would require an attribution of stock from the corporation to the person or from the person to the corporation under the attribution rules of Section 318 of the Internal Revenue Code;**

own directly, indirectly, beneficially, or constructively at

least fifty percent (50%) of the value of the corporation's outstanding stock;

(B) both entities are corporations and an individual stockholder and the members of the stockholder's family (as defined in Section 318 of the Internal Revenue Code) own directly, indirectly, beneficially, or constructively a total of at least fifty percent (50%) of the value of both entities' outstanding stock; or

(C) one (1) or both persons are limited liability companies, partnerships, limited liability partnerships, estates, or trusts, and their members, partners, or beneficiaries own directly, indirectly, beneficially, or constructively a total of at least fifty percent (50%) of the profits, capital, stock, or value of one (1) or both persons."

Page 9, between lines 34 and 35, begin a new paragraph and insert:

"(g) An adjustment under subsection (a)(20), (b)(6), (c)(6), (d)(6), or (e)(4) is not required to the extent that:

(1) the taxpayer establishes by clear and convincing evidence, as determined by the department, that the adjustment is unreasonable; or

(2) the taxpayer and the department agree in writing to the application or use of an alternative method of apportionment under IC 6-3-2-2(I).

SECTION 7. IC 6-3-1-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004] (RETROACTIVE):

Sec. 20. The term "business income" means:

- (1) income arising from transactions and activity in the regular course of the taxpayer's trade or business and includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitutes integral parts of the taxpayer's regular trade or business operations; and
- (2) **all other income that the state is not prohibited from taxing under the Constitution of the United States or other federal law."**

Page 10, line 12, delete "any of the following:" and insert " **with respect to any taxpayer during all or any part of a taxable year, is:**

- (1) **a person or corporation that is a related entity;**
- (2) **a person or corporation that is a component member (as defined in Section 1563(b) of the Internal Revenue Code);**
- (3) **a person or corporation to or from which there is attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code; or**
- (4) **a person, corporation, or partnership that, notwithstanding its form of organization, bears the same relationship to the taxpayer as a person or corporation described in subdivision (1), (2), or (3)."**

Page 10, delete lines 13 through 37.

Page 11, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 12. IC 6-3-1-38 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 38. As used in this chapter, "related entity" means:

(1) **a stockholder who is:**

(A) **an individual; or**

(B) **a member of the stockholder's family set forth in Section 318 of the Internal Revenue Code;**

if the stockholder and the members of the stockholder's family directly, indirectly, beneficially, or constructively own a total of at least fifty percent (50%) of the value of the taxpayer's outstanding stock;

(2) **a:**

(A) **stockholder; or**

(B) **stockholder's partnership, estate, trust, or corporation;**

if the stockholder and the stockholder's partnership, estate, trust, or corporation directly, indirectly, beneficially, or constructively own a total of at least fifty percent (50%) of the value of the taxpayer's outstanding stock; or

(3) **a:**

(A) **corporation; or**

(B) party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of the Internal Revenue Code;

if the taxpayer directly, indirectly, beneficially, or constructively owns a total of at least fifty percent (50%) of the value of the corporation's outstanding stock.

The attribution rules of the Internal Revenue Code apply for purposes of determining whether the ownership requirements of this definition have been met.

SECTION 13. IC 6-3-2-2, AS AMENDED BY P.L. 192-2002(ss), SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 2. (a) With regard to corporations and nonresident persons, "adjusted gross income derived from sources within Indiana", for the purposes of this article, shall mean and include:

- (1) income from real or tangible personal property located in this state;
- (2) income from doing business in this state;
- (3) income from a trade or profession conducted in this state;
- (4) compensation for labor or services rendered within this state; ~~and~~
- (5) income from stocks, bonds, notes, bank deposits, patents, copyrights, secret processes and formulas, good will, trademarks, trade brands, franchises, and other intangible personal property if the receipt from the intangible is attributable to Indiana under section 2.2 of this chapter; ~~and~~
- (6) any business income, regardless of whether it is described in this subsection.**

In the case of nonbusiness income described in subsection (g), only so much of such income as is allocated to this state under the provisions of subsections (h) through (k) shall be deemed to be derived from sources within Indiana. In the case of business income, only so much of such income as is apportioned to this state under the provision of subsection (b) shall be deemed to be derived from sources within the state of Indiana. In the case of compensation of a team member (as defined in section 2.7 of this chapter) only the portion of income determined to be Indiana income under section 2.7 of this chapter is considered derived from sources within Indiana. In the case of a corporation that is a life insurance company (as defined in Section 816(a) of the Internal Revenue Code) or an insurance company that is subject to tax under Section 831 of the Internal Revenue Code, only so much of the income as is apportioned to Indiana under subsection (r) is considered derived from sources within Indiana.

(b) Except as provided in subsection (l) **and subject to subsection (o)**, if business income of a corporation or a nonresident person is derived from sources within the state of Indiana and from sources without the state of Indiana, then the business income derived from sources within this state shall be determined by multiplying the business income derived from sources both within and without the state of Indiana by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three (3). However, after a period of two (2) consecutive quarters of income growth and one (1) additional quarter (regardless of any income growth), the fraction shall be computed as follows:

- (1) For all taxable years that begin within the first calendar year immediately following the period, the numerator of the fraction is the sum of the property factor plus the payroll factor plus one hundred thirty-three percent (133%) of the sales factor, and the denominator of the fraction is three and thirty-three hundredths (3.33).
- (2) For all taxable years that begin within the second calendar year following the period, the numerator of the fraction is the property factor plus the payroll factor plus one hundred sixty-seven percent (167%) of the sales factor, and the denominator of the fraction is three and sixty-seven hundredths (3.67).
- (3) For all taxable years beginning on or after January 1 of the third calendar year following the period, the numerator of the fraction is the property factor plus the payroll factor plus two

hundred percent (200%) of the sales factor, and the denominator of the fraction is four (4).

For purposes of this subsection, income growth occurs when the state's nonfarm personal income for a calendar quarter increases in comparison with the state's nonfarm personal income for the immediately preceding quarter at an annualized compound rate of five percent (5%) or more, as determined by the budget agency based on current dollar figures provided by the Bureau of Economic Analysis of the United States Department of Commerce or its successor agency. The annualized compound rate shall be computed in accordance with the formula $(1+N)^4-1$, where N equals the percentage change in the state's current dollar nonfarm personal income from one (1) quarter to the next. As soon as possible after two (2) consecutive quarters of income growth, the budget agency shall advise the department of the growth.

(c) The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the taxable year and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the taxable year. However, with respect to a foreign corporation, the denominator does not include the average value of real or tangible personal property owned or rented and used in a place that is outside the United States. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight (8) times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals. The average of property shall be determined by averaging the values at the beginning and ending of the taxable year, but the department may require the averaging of monthly values during the taxable year if reasonably required to reflect properly the average value of the taxpayer's property.

(d) The payroll factor is a fraction, the numerator of which is the total amount paid in this state during the taxable year by the taxpayer for compensation, and the denominator of which is the total compensation paid everywhere during the taxable year. However, with respect to a foreign corporation, the denominator does not include compensation paid in a place that is outside the United States. Compensation is paid in this state if:

- (1) the individual's service is performed entirely within the state;
- (2) the individual's service is performed both within and without this state, but the service performed without this state is incidental to the individual's service within this state; or
- (3) some of the service is performed in this state and:
 - (A) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in this state; or
 - (B) the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual is a resident of this state.

(e) The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the taxable year, and the denominator of which is the total sales of the taxpayer everywhere during the taxable year. Sales include receipts from intangible property and receipts from the sale or exchange of intangible property. However, with respect to a foreign corporation, the denominator does not include sales made in a place that is outside the United States. Receipts from intangible personal property are derived from sources within Indiana if the receipts from the intangible personal property are attributable to Indiana under section 2.2 of this chapter. Sales of tangible personal property are in this state if:

- (1) the property is delivered or shipped to a purchaser, other than the United States government, within this state, regardless of the f.o.b. point or other conditions of the sale; or
- (2) the property is shipped from an office, a store, a warehouse, a factory, or other place of storage in this state and:
 - (A) the purchaser is the United States government; or
 - (B) the taxpayer is not taxable in the state of the purchaser.

Gross receipts derived from commercial printing as described in IC 6-2.5-1-10 shall be treated as sales of tangible personal property for purposes of this chapter.

(f) Sales, other than receipts from intangible property covered by

subsection (e) and sales of tangible personal property, are in this state if:

- (1) the income-producing activity is performed in this state; or
 - (2) the income-producing activity is performed both within and without this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.
- (g) Rents and royalties from real or tangible personal property, capital gains, interest, dividends, or patent or copyright royalties, to the extent that they constitute nonbusiness income, shall be allocated as provided in subsections (h) through (k).
- (h)(1) Net rents and royalties from real property located in this state are allocable to this state.
- (2) Net rents and royalties from tangible personal property are allocated to this state:
- (i) if and to the extent that the property is utilized in this state; or
 - (ii) in their entirety if the taxpayer's commercial domicile is in this state and the taxpayer is not organized under the laws of or taxable in the state in which the property is utilized.
- (3) The extent of utilization of tangible personal property in a state is determined by multiplying the rents and royalties by a fraction, the numerator of which is the number of days of physical location of the property in the state during the rental or royalty period in the taxable year, and the denominator of which is the number of days of physical location of the property everywhere during all rental or royalty periods in the taxable year. If the physical location of the property during the rental or royalty period is unknown or unascertainable by the taxpayer, tangible personal property is utilized in the state in which the property was located at the time the rental or royalty payer obtained possession.
- (i)(1) Capital gains and losses from sales of real property located in this state are allocable to this state.
- (2) Capital gains and losses from sales of tangible personal property are allocable to this state if:
- (i) the property had a situs in this state at the time of the sale; or
 - (ii) the taxpayer's commercial domicile is in this state and the taxpayer is not taxable in the state in which the property had a situs.
- (3) Capital gains and losses from sales of intangible personal property are allocable to this state if the taxpayer's commercial domicile is in this state.
- (j) Interest and dividends are allocable to this state if the taxpayer's commercial domicile is in this state.
- (k)(1) Patent and copyright royalties are allocable to this state:
- (i) if and to the extent that the patent or copyright is utilized by the taxpayer in this state; or
 - (ii) if and to the extent that the patent or copyright is utilized by the taxpayer in a state in which the taxpayer is not taxable and the taxpayer's commercial domicile is in this state.
- (2) A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing, or other processing in the state or to the extent that a patented product is produced in the state. If the basis of receipts from patent royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the patent is utilized in the state in which the taxpayer's commercial domicile is located.
- (3) A copyright is utilized in a state to the extent that printing or other publication originates in the state. If the basis of receipts from copyright royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the copyright is utilized in the state in which the taxpayer's commercial domicile is located.
- (l) If the allocation and apportionment provisions of this article do not fairly represent the taxpayer's income derived from sources within the state of Indiana, the taxpayer may petition for or the department may require, in respect to all or any part of the taxpayer's business activity, if reasonable:
- (1) separate accounting;
 - (2) the exclusion of any one (1) or more of the factors;
 - (3) the inclusion of one (1) or more additional factors which will fairly represent the taxpayer's income derived from sources within the state of Indiana; or

(4) the employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.

(m) In the case of two (2) or more organizations, trades, or businesses owned or controlled directly or indirectly by the same interests, the department shall distribute, apportion, or allocate the income derived from sources within the state of Indiana between and among those organizations, trades, or businesses in order to fairly reflect and report the income derived from sources within the state of Indiana by various taxpayers.

(n) For purposes of allocation and apportionment of income under this article, a taxpayer is taxable in another state if:

- (1) in that state the taxpayer is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax; or
- (2) that state has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the state does or does not.

(o) Notwithstanding subsections (l) and (m), the department may not, under any circumstances, require that income, deductions, and credits attributable to a taxpayer and another entity be reported in a combined income tax return for any taxable year, if the other entity is:

- (1) a foreign corporation; or
- (2) a corporation that is classified as a foreign operating corporation for the taxable year by section 2.4 of this chapter.

(p) Notwithstanding subsections (l) and (m), the department may not require that income, deductions, and credits attributable to a taxpayer and another entity not described in subsection (o)(1) or (o)(2) be reported in a combined income tax return for any taxable year, unless the department is unable to fairly reflect the taxpayer's adjusted gross income for the taxable year through use of other powers granted to the department by subsections (l) and (m).

(q) Notwithstanding subsections (o) and (p), one (1) or more taxpayers may petition the department under subsection (l) for permission to file a combined income tax return for a taxable year. The petition to file a combined income tax return must be completed and filed with the department not more than thirty (30) days after the end of the taxpayer's taxable year.

(r) This subsection applies to a corporation that is a life insurance company (as defined in Section 816(a) of the Internal Revenue Code) or an insurance company that is subject to tax under Section 831 of the Internal Revenue Code. The corporation's adjusted gross income that is derived from sources within Indiana is determined by multiplying the corporation's adjusted gross income by a fraction:

- (1) the numerator of which is the direct premiums and annuity considerations received during the taxable year for insurance upon property or risks in the state; and
- (2) the denominator of which is the direct premiums and annuity considerations received during the taxable year for insurance upon property or risks everywhere.

The term "direct premiums and annuity considerations" means the gross premiums received from direct business as reported in the corporation's annual statement filed with the department of insurance."

Page 17, after line 42, begin a new paragraph and insert:

"(f) An adjustment under subsection (a)(1)(H) or (e) is not required to the extent that:

- (1) the taxpayer establishes by clear and convincing evidence, as determined by the department, that the adjustment is unreasonable; or**
- (2) the taxpayer and the department agree in writing to the application or use of an alternative method of apportionment.**

Page 18, line 21, delete "any of the" and insert " **with respect to any taxpayer during all or any part of a taxable year, is an entity:**

- (1) that is a related entity;**
- (2) that is a component member (as defined in Section 1563(b) of the Internal Revenue Code);**
- (3) to or from which there is attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code; or**
- (4) that, notwithstanding its form of organization, bears the same relationship to the taxpayer as a person or**

corporation described in subdivision (1), (2), or (3)."

Page 18, delete lines 22 through 42.

Page 19, delete lines 1 through 5.

Page 19, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 21. IC 6-5.5-1-12.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 12.8. As used in this chapter, "related entity" means:**

(1) a stockholder who is:

(A) an individual; or

(B) a member of the stockholder's family set forth in Section 318 of the Internal Revenue Code;

if the stockholder and the members of the stockholder's family directly, indirectly, beneficially, or constructively own a total of at least fifty percent (50%) of the value of the taxpayer's outstanding stock;

(2) a:

(A) stockholder; or

(B) stockholder's partnership, estate, trust, or corporation;

if the stockholder and the stockholder's partnership, estate, trust, or corporation directly, indirectly, beneficially, or constructively own a total of at least fifty percent (50%) of the value of the taxpayer's outstanding stock; or

(3) a:

(A) corporation; or

(B) party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of the Internal Revenue Code;

if the taxpayer directly, indirectly, beneficially, or constructively owns a total of at least fifty percent (50%) of the value of the corporation's outstanding stock.

The attribution rules of the Internal Revenue Code apply for purposes of determining whether the ownership requirements of this definition have been met."

Page 20, line 9, delete "The" and insert "**IC 6-2.5-8-10, as amended by this act, and the**".

Page 20, line 9, delete "applies" and insert "**apply**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1365 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 17, nays 10.

CRAWFORD, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures, to which was referred House Bill 1448, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning the general assembly.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 2-7-3-6, AS AMENDED BY P.L.162-2003, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. (a) A lobbyist shall file a written report with respect to a member of the general assembly whenever either of the following occurs:

(1) The lobbyist has made a purchase described in IC 2-2.1-3-2(a)(7) with respect to that member. This subdivision does not apply to purchases made after December 31, 1998, by a lobbyist from a legislator's retail business made in the ordinary course of business at prices that are available to the general public. For purposes of this subdivision, a legislator's business is considered a retail business if the business is a retail merchant as defined in IC 6-2.5-1-8.

(2) The lobbyist has made a gift described in IC 2-2.1-3-2(a)(8)

to that member.

(b) A report required by subsection (a) must state the following:

(1) The name of the lobbyist.

(2) Whether the report covers a purchase described in IC 2-2.1-3-2(a)(7) or a gift described in IC 2-2.1-3-2(a)(8).

(c) A lobbyist shall file a copy of a report required by this section with all the following:

(1) The commission.

(2) The member of the general assembly with respect to whom the report is made.

(3) The principal clerk of the house of representatives, if the legislator is a member of the Indiana house of representatives.

(4) The secretary of the senate, if the legislator is a member of the Indiana senate.

(d) A lobbyist shall file a report required by subsection (a) not later than seven (7) days after making the purchase or giving the gift.

(e) Not later than January 7, a lobbyist who has filed a report under this section regarding a member of the general assembly listing the commission shall provide to that each member of the general assembly a cumulative report listing all purchases and gifts written compilation of all reports filed under subsection (c) relating to that member. The compilation must satisfy the following:

(1) For that each member the compilation must list the following during for the immediately preceding calendar year:

(A) Each purchase described in IC 2-2.1-3-2(a)(7).

(B) Each gift described in IC 2-2.1-3-2(a)(8) itemized as follows:

(i) Any gift of cash from the lobbyist.

(ii) Any single gift other than cash having a fair market value that exceeds one hundred dollars (\$100).

(iii) Any gifts other than cash having a fair market value in the aggregate that exceeds two hundred fifty dollars (\$250).

(2) For each purchase or gift, the compilation must identify the name of the lobbyist making the purchase or giving the gift.

(Reference is to HB 1448 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

PELATH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Joint Resolution 5, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said joint resolution do pass.

Committee Vote: yeas 16, nays 10.

CRAWFORD, Chair

Report adopted.

HOUSE BILLS ON SECOND READING

House Bill 1337

Representative Pelath called down House Bill 1337 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1237

Representative Moses called down House Bill 1237 for second reading. The bill was read a second time by title.

HOUSE MOTION

(Amendment 1237-2)

Mr. Speaker: I move that House Bill 1237 be amended to read as follows:

Page 1, between lines 11 and 12, begin a new paragraph and insert:

"(c) A utility must reconnect service to a customer as soon as reasonably possible but at least within one (1) calendar day after the utility is requested to reconnect service. However, before reconnecting service, the utility may require payment of a deposit and other charges."

Page 1, line 12, delete "(c)" and insert "(d)".
 Renumber all SECTIONS consecutively.
 (Reference is to HB 1237 as printed January 23, 2004.)

MOSES

Motion prevailed.

HOUSE MOTION
 (Amendment 1237-1)

Mr. Speaker: I move that House Bill 1237 be amended to read as follows:

Page 1, line 11, after "service." insert **"A rule or regulation contrary to this subsection is void."**

Page 1, between lines 11 and 12, begin a new paragraph and insert:
"(c) A utility may require a reasonable and just deposit from a customer before the utility reconnects the customer's service. The deposit may not exceed the customer's estimated average monthly bill. A deposit under this subsection is in addition to a charge imposed under subsection (b). A rule or regulation contrary to this subsection is void."

Page 1, line 12, delete "(c)" and insert "(d)".
 (Reference is to HB 1237 as printed January 23, 2004.)

MOSES

Upon request of Representatives Torr and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 35: yeas 55, nays 39. Motion prevailed. The bill was ordered engrossed.

House Bill 1234

Representative Bauer called down House Bill 1234 for second reading. The bill was read a second time by title.

HOUSE MOTION
 (Amendment 1234-3)

Mr. Speaker: I move that House Bill 1234 be amended to read as follows:

Page 1, delete lines 1 through 17.
 Delete page 2.
 Page 3, delete lines 1 through 31.
 Page 10, line 35, delete "the" and insert "a".
 Page 10, line 35, delete "July 1, 2004," and insert **"after June 30, 2004,"**

Page 10, line 36, delete "June 30, 2005," and insert **"before July 1, 2007,"**

Page 10, line 42, delete "2005," and insert **"2007,"**.
 Page 11, line 4, after "exceed" insert **"the following:"**.
 Page 11, line 4, delete "thirty-one" begin a new line block indented and insert:

"(1) Thirty-one"

Page 11, line 5, delete "." and insert **"during the state fiscal year beginning July 1, 2004, and ending June 30, 2005."**

(2) Fourteen million five hundred thousand dollars (\$14,500,000) during the state fiscal year beginning July 1, 2005, and ending June 30, 2006.

(3) Eighteen million five hundred thousand dollars (\$18,500,000) during the state fiscal year beginning July 1, 2006, and ending June 30, 2007."

Page 13, line 5, delete "nine" and insert **"twenty-five"**.
 Page 13, line 5, delete **"five hundred thousand"**.
 Page 13, line 6, delete **"(\$9,500,000)"** and insert **"(\$25,000,000)"**.
 Page 13, line 9, delete "thirteen" and insert **"twenty-five"**.
 Page 13, line 10, delete **"five hundred thousand"**.
 Page 13, line 10, delete **"(\$13,500,000)"** and insert **"(\$25,000,000)"**.
 Page 13, line 14, delete "eleven" and insert **"twenty-five"**.
 Page 13, line 15, delete **"five hundred thousand"**.
 Page 13, line 15, delete **"(\$11,500,000)"** and insert **"(\$25,000,000)"**.

Renumber all SECTIONS consecutively.
 (Reference is to HB 1234 as printed January 23, 2004.)

CRAWFORD

Motion prevailed.

HOUSE MOTION
 (Amendment 1234-1)

Mr. Speaker: I move that House Bill 1234 be amended to read as follows:

Page 4, line 19, reset in roman "their school building construction".

Page 4, line 20, after "technology" insert **"programs (as defined in IC 21-1-5-3) under IC 21-1-5 and"**.

Page 4, line 28, delete "IC 21-1-5;" and insert **"IC 21-1-5 and"**.

Page 4, between lines 39 and 40, begin a new paragraph and insert:
"SECTION 4. IC 21-1-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. This chapter applies to school corporations organized and formed through reorganization under IC 20-4-1, IC 20-4-5, or IC 20-4-8 (as defined in IC 20-5-1-3) and school townships under IC 20-2-8. However, if a school corporation or school township sustains loss by fire, wind, cyclone, or other disaster, of all or a major portion of its school building or school buildings, sections 4 and section 9 of this chapter do does not apply."

Page 5, line 3, after "chapter." insert **"The maximum aggregate amount of advances that:**

- (1) are made under this chapter after June 30, 2004, for school building construction programs; and**
- (2) are outstanding at any time;**

may not exceed thirty million dollars (\$30,000,000)."

Page 5, line 3, beginning with "The Indiana" begin a new paragraph and insert:

"(b)".

Page 5, line 5, delete "section" and insert **"chapter for educational technology programs"**.

Page 5, line 6, strike "(b)" and insert "(c)".

Page 5, line 22, after "activities." insert **"After June 30, 2004, the term does not include a school corporation or school township that is described in subdivision (2) or (3)."**

Page 5, line 23, strike "(c)" and insert **"(d)"**.

Page 5, between lines 27 and 28, begin a new paragraph and insert:
"SECTION 6. IC 21-1-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4. (a) To qualify for an advance under this chapter, the school corporation or school township is required to establish a capital projects fund under IC 21-2-15. However, the Indiana state board of education, after consulting with the department of education and the budget agency, may waive or modify this requirement upon a showing of good cause by the school corporation or school township.

(b) No advance to a school corporation or a school township for any school building construction program may exceed the greater of:

- (1) fifteen million dollars (\$15,000,000); or**
- (2) the product of fifteen thousand dollars (\$15,000) multiplied by the number of pupils accommodated as a result of the school construction building program. However, if a school corporation or school township has sustained loss by fire, wind, cyclone, or other disaster, this limitation may be waived by the Indiana state board of education after consulting with the department of education and the budget agency.**

(c) Advances made before July 1, 2004, for educational technology programs are without limitation in amount other than the availability of funds in the common school fund for this purpose and the ability of the school corporation or school township desiring an advance to pay the advance in accordance with the terms of the advance. This subsection expires July 1, 2004.

SECTION 7. IC 21-1-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. (a) Money advanced to school corporations or school townships for school building construction programs may be advanced for periods not exceeding twenty-five (25) years, and the school corporations or school townships to which money is advanced shall be required to pay interest on the advance. For advances made before July 1, 1993, the Indiana state board of education may provide, either before an advance is made or before an advance is fully paid, that no payment of the advance may be prepaid by more than six (6) months. For advances made beginning July 1, 1993, for school building construction programs, the Indiana state board of education may provide that the advances are prepayable at any time. The state board

of finance created by IC 4-9.1-1 shall periodically establish the rate or rates of interest payable on advances for school building construction programs as long as:

- (1) the established interest rate or rates do not exceed seven and one-half percent (7.5%); and
- (2) the interest rate or rates on advances made to school corporations or school townships with advances outstanding on July 1, 1993, bearing interest at seven and one-half percent (7.5%) or more shall not exceed four percent (4%).

(b) Money advanced **made before July 1, 2004**, to school corporations or school townships for educational technology programs may be for periods not exceeding five (5) years and the school corporations or school townships to which advances are made shall be required to pay interest on the advances. Advances **made before July 1, 2004**, for educational technology programs may be prepaid at any time. The state board of finance shall establish periodically the rate or rates of interest payable on advances for educational technology programs as long as the established interest rate or rates:

- (1) are not less than one percent (1%); and
- (2) do not exceed four percent (4%).

This subsection expires July 1, 2009.

(c) To assure timely payment of advances in accordance with their terms, the state is authorized in its sole discretion to withhold from funds due to school corporations and school townships to which advances are made amounts necessary to pay the advances and the interest on the advances in accordance with their respective terms. The terms of the advances shall be established by the Indiana state board of education after consulting with the department of education and upon the approval of the budget agency in advance of the time the respective advances are made. However, in the case of school corporations or school townships with advances outstanding on July 1, 1993, the withholding may be adjusted to conform with this chapter. To the extent available, funds shall first be withheld from the distribution of state school tuition support. However, if this distribution is not available or is inadequate, funds may be withheld from the distribution of other state funds to the school corporation or school township to which the advance is made.

SECTION 8. IC 21-1-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. (a) Priority of advances for school building construction programs shall be made to school corporations and school townships which have the least amount of adjusted assessed valuation per pupil in average daily attendance.

(b) Priority of advances **made before July 1, 2004**, for educational technology programs shall be on whatever basis the Indiana state board of education, after consulting with the department of education and the budget agency, periodically determines. **This subsection expires July 1, 2004.**

SECTION 9. IC 21-1-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 10. A school corporation or school township to which an advance is made for an educational technology program **before July 1, 2004**, may annually levy a tax in the capital projects fund or the debt service fund to produce an amount equal to the amount deducted in the current year from the distribution of state school tuition support to pay the advance, together with the interest on the advance. The amount received from the tax shall be transferred from the capital projects fund or the debt service fund, as applicable, to the general fund."

Renumber all SECTIONS consecutively.

(Reference is to HB 1234 as printed January 23, 2004.)

CRAWFORD

Motion prevailed.

HOUSE MOTION
(Amendment 1234-2)

Mr. Speaker: I move that House Bill 1234 be amended to read as follows:

Page 12, between lines 27 and 28, begin a new paragraph and insert:

"Sec. 35. (a) As used in this section, "parent" has the meaning set forth in IC 20-8.1-1-3.

(b) After June 30, 2004, the parent of a child who:

- (1) did not attend a kindergarten offered by a school corporation;
- (2) has not completed more thirty (30) school days (as defined in IC 20-8.1-4-20) in grade 1 in any public or private school;
- (3) applies for a grant under this section on the forms, in the manner, and before the date prescribed by the department; and
- (4) successfully completes an assessment that indicates readiness to attend grade 1, as determined under the standards prescribed by the department;

is entitled to receive a grant of one thousand dollars (\$1,000).

(c) School corporations shall administer the assessment and grant program under this chapter for the department. The department may provide for nonpublic schools to administer any part of the assessment and grant program.

(d) The department shall develop, with the approval of the commission:

- (1) an assessment that may be used by a school corporation to determine a child's readiness to attend grade 1;
- (2) the application form for a grant; and
- (3) all other necessary standards and procedures to implement the assessment and grant program.

A charge may not be imposed on a parent or child to make an application, take an assessment, or receive a grant under this section.

(e) A grant shall be paid from the fund not later than sixty (60) days after the department receives notice that a child has successfully completed an assessment that indicates that the child is ready to attend grade 1. The amount necessary to provide grants under this section is annually appropriated from the fund. If insufficient money is in the fund to distribute grants in a timely fashion, the amount necessary to pay the grants shall be transferred from the state general fund to the fund. A sufficient amount is annually appropriated from the state general fund to make the transfers required by this subsection."

Page 12, line 28, delete "35" and insert "36".

Page 13, line 27, after "commission" insert "and the department of education".

(Reference is to HB 1234 as printed January 23, 2004.)

TURNER

Upon request of Representatives Turner and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 36: yeas 40, nays 55. Motion failed. The bill was ordered engrossed.

House Bill 1200

Representative L. Lawson called down House Bill 1200 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 1200-1)

Mr. Speaker: I move that House Bill 1200 be amended to read as follows:

Page 1, strike lines 10 through 14.

Page 1, between lines 14 and 15, begin a new line block indented and insert:

"(2) is deceased."

(Reference is to HB 1200 as printed January 21, 2004.)

L. LAWSON

Motion prevailed. The bill was ordered engrossed.

House Bill 1190

Representative Stevenson called down House Bill 1190 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1152

Representative Mahern called down House Bill 1152 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1134

Representative Cheney called down House Bill 1134 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1117

Representative Whetstone called down House Bill 1117 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1105

Representative Becker called down House Bill 1105 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1102

Representative Harris called down House Bill 1102 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1062

Representative Foley called down House Bill 1062 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1057

Representative Foley called down House Bill 1057 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1051

Representative Foley called down House Bill 1051 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1032

Representative Frenz called down House Bill 1032 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1029

Representative Kuzman called down House Bill 1029 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 1029-1)

Mr. Speaker: I move that House Bill 1029 be amended to read as follows:

Page 3, line 35, delete "refund" and insert "**refund, whether the obligor filed a joint state income tax return, and if the obligor filed a joint state income tax return, the name and address of the individual with whom the obligor filed the joint state income tax return,**".

Page 4, line 2, delete "order" and insert "**order:**
(1)".

Page 4, line 2, delete "refund." and insert "**refund; and**
(2) **has filed a joint state income tax return, and if the obligor has filed a joint state income tax return, the name and address of the individual with whom the obligor filed the joint state income tax return.**".

Page 4, line 5, delete "hearing." and insert "**hearing at least thirty (30) days after the date that the court receives notification under section 3(b) of this chapter.**".

Page 4, line 7, delete "custodial parent" and insert "**court**".

Page 4, between lines 10 and 11, begin a new paragraph and insert:
"(c) **If the court receives notification under section 3(b) of this chapter that the obligor filed a joint state income tax return, the court shall send a notice to the individual with whom the obligor filed a joint state income tax return by certified mail, return receipt requested, and inform the individual:**

(1) **of the hearing date;**

(2) **that the court may order the individual's and obligor's**

joint state income tax refund to be intercepted for the obligor's past due child support payments; and
(3) **that the individual may petition the court or provide testimony at the hearing that the individual believes that part of the individual's and obligor's joint state income tax refund should not be intercepted for the obligor's child support and should be paid to the individual.**".

(Reference is to HB 1029 as printed January 21, 2004).

KUZMAN

Motion prevailed. The bill was ordered engrossed.

ENGROSSED HOUSE BILLS ON THIRD READING**Engrossed House Bill 1074**

Representative Grubb called down Engrossed House Bill 1074 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 37: yeas 94, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Paul and Sipes.

REPORTS FROM COMMITTEES**COMMITTEE REPORT**

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1014, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 9, delete "health" and insert "health, **nutrition,**".

Page 1, line 10, delete "12;" and insert "**12, which shall be broadly distributed to teachers and parents;**".

Page 1, line 12, delete "health" and insert "health, **nutrition,**".

Page 2, line 2, delete "activity." and insert "**activity consistent with guidelines established by the education consultant for health and physical education.**".

Page 2, line 3, delete "health" and insert "health, **nutrition,**".

Page 2, between lines 11 and 12, begin a new line block indented and insert:

"(5) An outreach and communication plan to provide parents and students with current information and research on health, nutrition, and physical education issues."

Page 2, line 21, after "schools;" insert "**and**".

Page 2, delete line 22.

Page 2, line 23, delete "(3)" and insert "**(2)**".

Page 2, line 34, delete "must" and insert "**may**".

Page 2, after line 42, begin a new paragraph and insert:

"SECTION 4. IC 20-5-2-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2004]: Sec. 2.5. (a) As used in this section, "healthy food" means the following:

(1) A food item that has not more than thirty percent (30%) total calories from fat, excluding nuts and seeds.

(2) A food item that has not more than ten percent (10%) total calories from saturated fats.

(3) A food item that provides at least ten percent (10%) of the United States Food and Drug Administration's recommended daily value for one (1) of the following nutrients:

(A) Vitamin A.

(B) Vitamin C.

(C) Calcium.

(D) Iron.

(E) Protein.

(F) Fiber.

(b) As used in this section, "healthy beverage" means the following:

(1) Water.

(2) Milk.

(3) Fruit drinks with at least fifty percent (50%) fruit juice.

(4) Vegetable drinks.

(c) After June 30, 2004, a vending machine that is located in an area of an elementary school's grounds or buildings may not be accessible to a student.

(d) This subsection does not apply to the following:

(1) Foods and beverages that are part of the United States Department of Agriculture's breakfast and lunch programs.

(2) Foods and beverages that are sold in areas of the school that are not accessible to students.

After June 30, 2004, at least fifty percent (50%) of the foods and beverages sold in a middle school and high school that are available from each school group, organization, or department must qualify as a healthy food or a healthy beverage."

Page 3, line 5, delete "curriculum." and insert "curriculum consistent with curriculum and programs developed under IC 20-1-1.1-7."

Page 3, line 19, delete "must" and insert "may".

Page 3, line 41, after "Sec. 5.5." insert "(a) This section does not apply to:

(1) students who are in half day kindergarten; or

(2) a student who has a medical condition that precludes participation in the daily physical activity provided under this section.

(b)".

Page 4, line 1, after "provide" insert "at least thirty (30) minutes of daily".

Page 4, line 1, delete "grades kindergarten" and insert "elementary school. The physical activity must be consistent with the curriculum and programs developed under IC 20-1-1.1-7 and may include the use of recess. Available physical activity alternatives must be used on days of inclement weather conditions."

Page 4, delete line 2, begin a new paragraph and insert:

"SECTION 7. [EFFECTIVE APRIL 1, 2004] IC 20-5-2-2.5, as added by this act, does not apply to a contract that:

(1) was executed before April 1, 2004;

(2) is in existence on April 1, 2004; and

(3) requires a governing body to allow the sale of:

(A) soft drinks and similar beverages; and

(B) food;

with no or low nutritional value, as defined by the United States Department of Agriculture, from vending machines or other dispensing units during school hours.

However, the governing body may not renew a contract described in this SECTION and, after the contract expires, must comply with IC 20-5-2-2.5, as added by this act.

SECTION 8. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

(Reference is to HB 1014 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 11, nays 2.

C. BROWN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Human Affairs, to which was referred House Bill 1018, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 15, after "distributed" insert "quarterly".

Page 2, line 16, delete "." and insert "for the purpose of implementing an organ, tissue and marrow registry and to promote organ, tissue and marrow donation."

Page 2, line 20, after "(f)" insert "The Indiana Donation Alliance Foundation shall submit an annual report, including a list of all expenditures, to the chairperson of the:

(1) legislative council;

(2) senate health committee; and

(3) house public health committee;

before January 15. The report must be in an electronic format under IC 5-14-6.

(g)".

Page 2, delete "(g)" and insert "(h)".

(Reference is to HB 1018 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 13, nays 0.

SUMMERS, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures, to which was referred House Bill 1087, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 7, nays 0.

PELATH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1090, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 23, nays 4.

CRAWFORD, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture, Natural Resources and Rural Development, to which was referred House Bill 1116, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 14-8-2-77, AS AMENDED BY P.L.145-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2004]: Sec. 77. "Division" has the following meaning:

(1) For purposes of IC 14-9-8, the meaning set forth in IC 14-9-8-2.

(2) For purposes of IC 14-20-1, the meaning set forth in IC 14-20-1-2.

(3) For purposes of IC 14-20-1.1 and IC 14-21-1, the meaning set forth in IC 14-21-1-6.

(4) For purposes of IC 14-22, the division of fish and wildlife.

(5) For purposes of IC 14-24, the division of entomology and plant pathology.

(6) For purposes of IC 14-25.5, the division of water.

(7) For purposes of IC 14-31-2, the meaning set forth in IC 14-31-2-4.

(8) For purposes of IC 14-37, the division of oil and gas.

SECTION 2. IC 14-8-2-107, AS AMENDED BY P.L.186-2003, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2004]: Sec. 107. "Fund" has the following meaning:

(1) For purposes of IC 14-9-5, the meaning set forth in IC 14-9-5-1.

(2) For purposes of IC 14-9-8-21, the meaning set forth in IC 14-9-8-21.

(3) For purposes of IC 14-9-8-21.5, the meaning set forth in IC 14-9-8-21.5.

(4) For purposes of IC 14-9-9, the meaning set forth in IC 14-9-9-3.

(5) For purposes of IC 14-12-1, the meaning set forth in IC 14-12-1-1.

(6) For purposes of IC 14-12-2, the meaning set forth in IC 14-12-2-2.

(7) For purposes of IC 14-12-3, the meaning set forth in IC 14-12-3-2.

- (8) For purposes of IC 14-13-1, the meaning set forth in IC 14-13-1-2.
- (9) For purposes of IC 14-13-2, the meaning set forth in IC 14-13-2-3.
- (10) For purposes of IC 14-16-1, the meaning set forth in IC 14-16-1-30.
- (11) For purposes of IC 14-19-8, the meaning set forth in IC 14-19-8-1.
- (12) For purposes of IC 14-20-1, the meaning set forth in IC 14-20-1-3.
- (13) For purposes of IC 14-20-1.1, the meaning set forth in IC 14-20-1.1-1.**
- (14) For purposes of IC 14-20-11, the meaning set forth in IC 14-20-11-2.
- ~~(14)~~ **(15)** For purposes of IC 14-22-3, the meaning set forth in IC 14-22-3-1.
- ~~(15)~~ **(16)** For purposes of IC 14-22-4, the meaning set forth in IC 14-22-4-1.
- ~~(16)~~ **(17)** For purposes of IC 14-22-5, the meaning set forth in IC 14-22-5-1.
- ~~(17)~~ **(18)** For purposes of IC 14-22-8, the meaning set forth in IC 14-22-8-1.
- ~~(18)~~ **(19)** For purposes of IC 14-22-34, the meaning set forth in IC 14-22-34-2.
- ~~(19)~~ **(20)** For purposes of IC 14-23-3, the meaning set forth in IC 14-23-3-1.
- ~~(20)~~ **For purposes of IC 14-23-8, the meaning set forth in IC 14-23-8-1.**
- (21) For purposes of IC 14-25-2-4, the meaning set forth in IC 14-25-2-4.
- (22) For purposes of IC 14-25-10, the meaning set forth in IC 14-25-10-1.
- (23) For purposes of IC 14-25-11-19, the meaning set forth in IC 14-25-11-19.
- (24) For purposes of IC 14-25-5, the meaning set forth in IC 14-25-5-1-3.
- (25) For purposes of IC 14-28-5, the meaning set forth in IC 14-28-5-2.
- (26) For purposes of IC 14-31-2, the meaning set forth in IC 14-31-2-5.
- (27) For purposes of IC 14-25-12, the meaning set forth in IC 14-25-12-1.
- (28) For purposes of IC 14-33-14, the meaning set forth in IC 14-33-14-3.
- (29) For purposes of IC 14-33-21, the meaning set forth in IC 14-33-21-1.
- (30) For purposes of IC 14-34-6-15, the meaning set forth in IC 14-34-6-15.
- (31) For purposes of IC 14-34-14, the meaning set forth in IC 14-34-14-1.
- (32) For purposes of IC 14-37-10, the meaning set forth in IC 14-37-10-1.

SECTION 3. IC 14-20-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2004]: Sec. 8. (a) The division consists of the following two (2) sections:

- (1) The section of museums.
- (2) The section of historic sites.

~~(b) The division director may not serve as the head of a section of the division.~~

~~(c) An individual may not serve as the head of more than one (1) section of the division.~~

~~(d)~~ **(b)** There must be a separate line item for each section of the division in each bill appropriating money to the division.

SECTION 4. IC 14-20-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2004]: Sec. 9. The division may do the following:

- (1) Undertake the action necessary to qualify the state for participation in sources of federal aid to preserve historic property, materials, items, sites, and memorials.
- (2) Provide information on historic property, materials, items, sites, and memorials within Indiana to federal, state, and local governmental agencies, private individuals, and organizations.
- (3) Advise and coordinate the activities of local historical

associations, historic district commissions, historic commissions, and other interested groups or persons.

(4) Provide technical and financial assistance to local historical associations, historic district commissions, historic commissions, and other interested groups or persons.

(5) Develop a program of interpretation and publication of the state's historical, architectural, and archeological resources.

(6) Collect and preserve objects of scientific and cultural value representing past and present flora and fauna, the life and work of man, geological history, natural resources, the manufacturing arts, and fine arts.

(7) Employ or contract with a person to manage or operate any aspect of the state museum or historic sites.

(8) Make and sell merchandise, including publications, reproductions, educational and craft items, and souvenirs.

(9) Pay royalties, license fees, and charges for exhibits, artifacts, artwork, and other materials.

(10) Notwithstanding IC 5-22-22, under policies adopted by the division in accordance with the code of ethics of the American Association of Museum:

- (A) donate or exchange artifacts in the division's collection to or with a public or nonprofit museum, a historical society, a university, or a similar institution; or**
- (B) sell items in the division's collection at auction or public sale.**

SECTION 5. IC 14-20-1-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2004]: Sec. 16. (a) The board of trustees for the division of state museums and historic sites is established.

(b) The trustees consist of thirteen (13) members as follows:

- (1) The director of the department, who shall serve as chairman.
- (2) Twelve (12) members appointed by the governor as follows:
 - ~~(A) One (1) member~~ **Three (3) members** of the Indiana State Museum ~~Society Foundation~~ **who are** nominated by the ~~Society Foundation~~.
 - ~~(B) One (1) member of the Indiana State Museum Volunteers nominated by the volunteers.~~
 - ~~(C)~~ **(B)** Two (2) members must be recognized supporters of historic sites **who are nominated by a recognized supporter of historic sites.**
 - ~~(D)~~ **(C)** Not more than seven (7) members may be members of the same political party.
 - ~~(E) Not more than two (2) members may be from the same county.~~
 - ~~(F) Each congressional district in Indiana must be represented by at least one (1) member.~~

(c) The terms of the appointed members shall be staggered.

(d) The governor shall make appointments under subsection (b) in a manner to achieve diversity and geographic balance among the trustees.

SECTION 6. IC 14-20-1-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2004]: Sec. 22. The trustees shall do the following:

- (1) Nominate, when the position of division director is vacant, a person to be appointed by the director to that position. If the director rejects a nominee's appointment, the trustees shall nominate another person.
- (2) Recommend, when appropriate, the dismissal of a division director.
- ~~(3) Make recommendations concerning the salary ranges of the administrative, professional, and technical staff of the division.~~
- ~~(4)~~ **(3)** Review the budget needs and requests of the division and make recommendations concerning the needs and requests to the governor through the director.
- ~~(5)~~ **(4)** Recommend that the department accept or reject, hold, or dispose of grants of property to be administered by the division for the purpose of preservation, research, or interpretation of significant areas, events, or grants to citizens of Indiana for the purpose of preserving, studying, and interpreting archeological and natural phenomena, cultural trends, and accomplishments.
- ~~(6)~~ **(5)** Review, guide, and assist in the development of statewide outreach programs.

(7) (6) Review, guide, and assist in the development of professionalism of the staff and operations.

(8) (7) Review, recommend, and devise methods to enable the division to do the following:

(1) (A) Increase the division's physical plant.

(2) (B) Expand the educational areas.

(3) (C) Meet storage needs.

(9) (8) Develop a plan of growth to meet physical, program, and financial needs for both the immediate and long range future, monitor the plan at regular intervals, and ensure that the institution stays within the developed plan.

(10) (9) Recommend policies, procedures, and practices that the commission, the director, and the secretary shall consider.

(11) (10) Give advice or make recommendations to the governor and the general assembly when requested or on the initiative of the trustees.

(12) (11) Review the conduct of the work of the division. To implement this duty, the trustees have access at any reasonable time to copies of all records pertaining to the work of the division.

(13) (12) Adopt bylaws consistent with this chapter for the division's internal control and management and file a copy of the bylaws with the director.

(14) (13) Hold meetings at the times and places in Indiana that are prescribed by the bylaws, but at least quarterly.

(15) (14) Keep minutes of the transactions of each regular and special meeting and file the minutes with the director. The minutes are public records.

(16) (15) Promote the welfare of the division.

(17) (16) Make recommendations concerning the administration of the fund established by section 24 of this chapter.

SECTION 7. IC 14-20-1.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2004]:

Chapter 1.1. Historic Site Fund

Sec. 1. As used in this chapter, "fund" refers to the historic site fund established as a dedicated fund by section 2 of this chapter.

Sec. 2. (a) The historic site fund is established to assist in providing funding for educational programs and the maintenance and operation of historic sites. The fund shall be administered by the division.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(e) Money in the fund is annually appropriated to the division for purposes established in this section.

Sec. 3. (a) The fund consists of proceeds from sales and leases under IC 14-20-1-23(b) and other proceeds generated by the historic sites.

(b) At least fifty-one percent (51%) of the funds collected from a particular historic site must be used to benefit that site.

SECTION 8. An emergency is declared for this act.

(Reference is to HB 1116 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

BISCHOFF, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures, to which was referred House Bill 1136, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, delete lines 10 through 31.

Page 4, line 32, delete "(b)" and insert "Sec. 9.".

Page 4, line 34, delete "12." and insert "10.".

(Reference is to HB 1136 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

PELATH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Courts and Criminal Code, to which was referred House Bill 1138, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 33-5-10.2-1, AS ADDED BY P.L.45-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. There ~~is are~~ established ~~a court~~ **two (2) courts** of record to be known as the Dearborn superior court (referred to as **"the court" in this chapter**). ~~The No. 1 and the Dearborn superior court No. 2.~~ **Each** court may have a seal containing the words "Dearborn Superior Court (insert No. 1 or No. 2), Dearborn County, Indiana". Dearborn County comprises the judicial district of the court.

SECTION 2. IC 33-5-10.2-2, AS ADDED BY P.L.45-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) ~~The Each~~ **Each** court has one (1) judge, who shall be elected at the general election every six (6) years in Dearborn County. ~~The A~~ judge's term begins January 1 following the election and ends December 31 following the election of the judge's successor.

(b) To be eligible to hold office as judge of the court, a person must:

(1) be a resident of Dearborn County;

(2) be less than seventy (70) years of age at the time of taking office; and

(3) be admitted to the bar of Indiana.

SECTION 3. IC 33-5-10.2-3, AS ADDED BY P.L.45-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) Except as provided in subsection (b), ~~the each~~ **each** court has the same jurisdiction as the Dearborn circuit court.

(b) The Dearborn circuit court has exclusive juvenile jurisdiction.

SECTION 4. IC 33-5-10.2-4, AS ADDED BY P.L.45-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4. The judge of ~~the each~~ **each** court has the same powers relating to the conduct of the business of the court as the judge of the Dearborn circuit court. The judge of ~~the each~~ **each** court also may administer oaths, solemnize marriages, and take and certify acknowledgments of deeds.

SECTION 5. IC 33-5-10.2-5, AS ADDED BY P.L.45-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. The judge of ~~the each~~ **each** court shall appoint a bailiff and an official court reporter for the court. ~~The Each~~ **Each** judge may appoint a referee, commissioner, or other personnel as the judge considers necessary to facilitate and transact the business of the court. Their salaries shall be fixed in the same manner as the salaries of the personnel for the Dearborn circuit court. Their salaries shall be paid monthly out of the treasury of Dearborn County as provided by law. Personnel appointed under this section continue in office until removed by the judge of the **appointing** court.

SECTION 6. IC 33-5-10.2-6, AS ADDED BY P.L.45-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. The clerk of the court, under the direction of ~~the each~~ **each** judge of the court, shall provide order books, judgment dockets, execution dockets, fee books, and other books for ~~the each~~ **each** court, which shall be kept separately from the books and papers of other courts.

SECTION 7. IC 33-5-10.2-7, AS ADDED BY P.L.45-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 7. ~~The Each~~ **Each** court shall hold its sessions in the Dearborn County courthouse in Lawrenceburg, Indiana, or in such other places in the county as the Dearborn county executive may provide. The county executive shall provide and maintain a suitable courtroom and other rooms and facilities **for each**

court, including furniture and equipment, as may be necessary. The Dearborn County fiscal body shall appropriate sufficient funds for the provision and maintenance of these rooms and facilities.

SECTION 8. IC 33-5-10.2-8, AS ADDED BY P.L.45-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 8. The jury commissioners appointed by the judge of the Dearborn circuit court shall serve as the jury commissioners for ~~the~~ **each** court. Juries shall be selected in the same manner as juries for the Dearborn circuit court. The grand jury selected for the Dearborn circuit court shall also serve as the grand jury for ~~the~~ **each** court as may be necessary.

SECTION 9. IC 33-5-10.2-9, AS ADDED BY P.L.45-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. The judge of the Dearborn circuit court may, with the consent of the judge of ~~the a~~ court, transfer any action or proceeding from the circuit court to the court. The judge of ~~the a~~ court may, with the consent of the judge of the circuit court, transfer any action or proceeding from the court to the circuit court.

SECTION 10. IC 33-5-10.2-10, AS ADDED BY P.L.45-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 10. The judge of the Dearborn circuit court may, with the consent of the judge of ~~the a~~ court, sit as a judge of the court in any matter as if the judge of the circuit court were an elected judge of the court. The judge of ~~the a~~ court may, with the consent of the judge of the circuit court, sit as a judge of the circuit court in any matter as if the judge of the court were an elected judge of the circuit court.

SECTION 11. IC 33-5-10.2-11, AS ADDED BY P.L.45-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 11. ~~The Each~~ court has a standard small claims and misdemeanor division.

SECTION 12. IC 33-5-20.1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. There shall be and is hereby established a superior court in Howard County, Indiana, which shall consist of ~~two (2)~~ **three (3)** judges who shall hold their offices for six (6) years and until their successor shall have been elected and qualified.

SECTION 13. IC 33-5-22-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) There are created ~~five (5)~~ **six (6)** superior courts in Hamilton County, Indiana, each consisting of one (1) judge, who shall hold office for a term of six (6) years, beginning January 1 after the election for the office is held and until a successor is elected and qualified. Every six (6) years, the voters of Hamilton County shall elect at the general election a judge for each superior court.

(b) To be eligible to hold office as judge of a superior court, a person must be:

- (1) a resident of Hamilton County;
- (2) under seventy (70) years of age when taking office; and
- (3) admitted to the practice of law in Indiana.

SECTION 14. IC 33-5-22-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. The superior courts shall be known as the Hamilton superior court No. 1, the Hamilton superior court No. 2, the Hamilton superior court No. 3, the Hamilton superior court No. 4, ~~and the Hamilton superior court No. 5, and the Hamilton superior court No. 6.~~ The county of Hamilton shall constitute the judicial district of each court. Each court is a court of record and general jurisdiction and shall have a seal containing the words "Hamilton Superior Court (insert No. 1, No. 2, No. 3, No. 4, ~~or No. 5, or No. 6)~~ of Hamilton County, Indiana".

SECTION 15. IC 33-5-22-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 8. The Hamilton superior court No. 4, ~~and the Hamilton superior court No. 5, and the Hamilton superior court No. 6~~ have a standard small claims and misdemeanor division.

SECTION 16. IC 33-5-36.6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) There ~~is~~ **are** established ~~a court two (2) courts~~ of record to be known as Montgomery superior court ~~The No. 1 and Montgomery superior court No. 2.~~ **Each** court may have a seal containing the words "Montgomery Superior Court (insert No. 1 or No. 2) of Montgomery County, Indiana".

(b) Montgomery County comprises the judicial district of ~~the each~~

court.

SECTION 17. IC 33-5-36.6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) ~~The Each~~ court has one (1) judge, who shall be elected at the general election every six (6) years in Montgomery County. The term of the judge begins January 1 following the election and ends December 31 following the election of the judge's successor.

(b) To be eligible to hold office as a judge of the court, a person must:

- (1) be a resident of Montgomery County;
- (2) be less than seventy (70) years of age at the time of taking office; and
- (3) be admitted to the bar of Indiana.

SECTION 18. IC 33-5-36.6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. ~~The Each~~ court has the same jurisdiction as the Montgomery circuit court.

SECTION 19. IC 33-5-36.6-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4. ~~A Each~~ judge of the court has the same powers relating to the conduct of the business of the court as the judge of the Montgomery circuit court. ~~A Each~~ judge of the court may also administer oaths, solemnize marriages, and take and certify acknowledgments of deeds.

SECTION 20. IC 33-5-36.6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. ~~A Each~~ judge of the court shall appoint a bailiff and an official court reporter for the court. Their salaries shall be fixed in the same manner as the salaries of the bailiff and official court reporter for the Montgomery circuit court. Their salaries shall be paid monthly out of the treasury of Montgomery County as provided by law.

SECTION 21. IC 33-5-36.6-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. The clerk of the court, under the direction of ~~the each~~ judge of the court, shall provide order books, judgment dockets, execution dockets, fee books, and other books for ~~the each~~ court, which shall be kept separately from the books and papers of other courts.

SECTION 22. IC 33-5-36.6-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 7. ~~The Each~~ court shall hold sessions in the Montgomery County courthouse in Crawfordsville, Indiana, or in such other places in the county as the Montgomery County executive may provide. The county executive shall provide and maintain suitable courtrooms and other rooms and facilities **for each court**, including furniture and equipment, as may be necessary. The Montgomery County fiscal body shall appropriate sufficient funds for the provision and maintenance of these rooms and facilities.

SECTION 23. IC 33-5-36.6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 8. The jury commissioners appointed by the judge of the Montgomery circuit court shall serve as the jury commissioners for ~~the each~~ court. Juries shall be selected in the same manner as juries for the Montgomery circuit court. The grand jury selected for the Montgomery circuit court shall also serve as the grand jury for ~~the each~~ court as is necessary.

SECTION 24. IC 33-5-36.6-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. The judge of the Montgomery circuit court may, with the consent of the judge of ~~the a~~ court, transfer any action or proceeding from the circuit court to ~~the that~~ court. The judge of ~~the each~~ court may, with consent of the judge of the circuit court, transfer any action or proceeding from the court to the circuit court.

SECTION 25. IC 33-5-36.6-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 10. The judge of the Montgomery circuit court may, with the consent of ~~the a~~ judge of the court, sit as a judge of ~~the that~~ court in any matter as if the judge of the circuit court ~~was were~~ an elected judge of the court. The judge of ~~the a~~ court may, with consent of the judge of the circuit court, sit as judge of the circuit court in any matter as if the judge of the court ~~was were~~ an elected judge of the circuit court.

SECTION 26. IC 33-5-36.6-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 11. **Each court has a standard small claims and misdemeanor division.**

Page 3, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 28. IC 33-5-44.1-1, AS AMENDED BY P.L.45-2000, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. There is hereby established a superior court in Vigo County, Indiana. ~~which~~ The court shall consist of ~~four (4)~~ **five (5)** judges who shall hold their office for six (6) years if they behave well and until their successors have been elected and qualified. In addition to the ~~four (4)~~ **five (5)** judges, the judge of the Vigo circuit court may sit as a judge of said Vigo superior court as provided in this chapter.

SECTION 29. [EFFECTIVE JULY 1, 2004] (a) Notwithstanding the amendment of IC 33-5-10.2 by this act, the Dearborn superior court is not expanded to two (2) judges until January 1, 2005.

(b) The governor shall appoint a person under IC 3-13-6-1(c) to serve as the initial judge of the Dearborn superior court No. 2 added by IC 33-5-10.2-1, as amended by this act.

(c) The term of the initial judge appointed under subsection (b) begins January 1, 2005, and ends December 31, 2006.

(d) The initial election of the judge of the Dearborn superior court No. 2 is the general election on November 7, 2006. The term of the initially elected judge begins January 1, 2007.

(e) This SECTION expires January 2, 2007.

SECTION 30. [EFFECTIVE JULY 1, 2004] (a) Notwithstanding IC 33-5-20.1-1, as amended by this act, the Howard County superior court added by this act is not established until January 1, 2005.

(b) The governor shall appoint a person under IC 3-13-6-1(c) to serve as the initial judge added to the Howard County superior court by IC 33-5-20.1-1, as amended by this act.

(c) The term of the initial judge appointed under subsection (b) begins January 1, 2005, and ends December 31, 2006.

(d) The initial election of the judge of the Howard County superior court added by IC 33-5-20.1-1, as amended by this act, is the general election on November 7, 2006. The term of the initially elected judge begins January 1, 2007.

(e) This SECTION expires January 2, 2007.

SECTION 31. [EFFECTIVE JULY 1, 2004] (a) Notwithstanding IC 33-5-22-1 and IC 33-5-22-2, each as amended by this act, the Hamilton superior court is not expanded to six (6) judges until January 1, 2007.

(b) Notwithstanding IC 33-5-22-8, as amended by this act, the Hamilton superior court No. 6 does not have a standard small claims and misdemeanor division until January 1, 2007.

(c) The initial election of the judge of the Hamilton superior court No. 6 added by IC 33-5-22-1 and IC 33-5-22-2, each as amended by this act, is the general election on November 7, 2006. The term of the initially elected judge begins January 1, 2007.

(d) This SECTION expires January 2, 2007.

SECTION 32. [EFFECTIVE JULY 1, 2004] (a) At midnight on December 31, 2004, the Montgomery county court is abolished.

(b) Notwithstanding the amendment of IC 33-5-36.6 by this act, the Montgomery superior court No. 2 is not established until January 1, 2005.

(c) Any case pending in the Montgomery county court after the close of business on December 31, 2004, is transferred on January 1, 2005, to Montgomery superior court No. 2 established by IC 33-5-36.6-1, as amended by this act. All cases transferred under this SECTION that are eligible to be heard by the standard small claims and misdemeanor division, established by IC 33-5-36.6-11, as added by this act, shall be transferred to the standard small claims and misdemeanor division of the court in accordance with the venue requirements prescribed in Rule 75 of the Indiana Rules of Trial Procedure. A case transferred under this SECTION shall be treated as if the case were filed in Montgomery superior court No. 2.

(d) On January 1, 2005, all property and obligations of the Montgomery county court become the property and obligations of Montgomery superior court No. 2.

(e) The initial judge of Montgomery superior court No. 2 established by IC 33-5-36.6-1, as amended by this act, shall be the person who is the Montgomery county court judge on December 31, 2004. The term of the initial judge begins January 1, 2005, and ends December 31, 2006. The initial election of a judge for Montgomery superior court No. 2, established by IC 33-5-36.6-1,

as amended by this act, is the general election conducted on November 7, 2006. The term of the initial elected judge begins January 1, 2007.

(f) This SECTION expires January 2, 2007."

Page 3, after line 14, begin a new paragraph and insert:

"SECTION 34. [EFFECTIVE JULY 1, 2004] (a) Notwithstanding IC 33-5-44.1-1, as amended by this act, the Vigo superior court is not expanded to five (5) judges until January 1, 2005.

(b) The governor shall appoint a person under IC 3-13-6-1(c) to serve as the initial judge added to the Vigo superior court by IC 33-5-44.1-1, as amended by this act.

(c) The term of the initial judge appointed under subsection (b) begins January 1, 2005, and ends December 31, 2006.

(d) The initial election of the judge of the Vigo superior court added by IC 33-5-44.1-1, as amended by this act, is the general election in November 2006. The term of the initially elected judge begins January 1, 2007.

(e) This SECTION expires January 2, 2007."

Renumber all SECTIONS consecutively.

(Reference is to HB 1138 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

DVORAK, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1154, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

L. LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1157, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 4.

PORTER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1205, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 6, strike "concerning" and insert "focused on".

Page 1, line 9, after "elections," insert "The department shall develop guidelines and the state board shall adopt rules under IC 4-22-2 with regard to the instruction required under this section to assist teachers assigned to teach the material described in this section."

Page 1, line 13, delete "An individual may not receive a high school diploma from a".

Page 1, delete lines 14 through 15.

Page 1, line 16, delete "(d)".

Page 1, run in lines 13 through 16.

Page 2, delete lines 17 through 29.

(Reference is to HB 1205 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 13, nays 0.

PORTER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred House Bill 1223, has had the

same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 2, strike "and".

Page 4, line 4, delete "." and insert "; and

(17) one (1) member who is a representative of the fraternal order of police."

(Reference is to HB 1223 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 13, nays 0.

LYTLE, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Technology, Research and Development, to which was referred House Bill 1238, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 8, after "include" insert **"a motion picture that is obscene (as described in IC 35-49-2-1) or"**.

Page 4, line 37, delete "chapter," and insert "chapter."

Page 4, line 37, strike "if the".

Page 4, line 37, delete "equipment," and insert "Equipment."

Page 4, line 39, strike "are" and insert **"described in subdivisions (1) through (7) must be"**.

Page 9, after line 38, begin a new paragraph and insert:

"SECTION 10. [EFFECTIVE JULY 1, 2004] The trustees of Indiana University may issue and sell bonds under IC 20-12-8, subject to the approvals required by IC 20-12-5.5, to provide funds for the acquisition, renovation, expansion and improvement of the hotel facility (including all functionally related and subordinate components of the hotel facility) adjacent to the Indiana University Conference Center on the Indianapolis campus and may undertake the project if the total costs financed by the bond issue, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, do not exceed thirty million dollars (\$30,000,000)."

Renumber all SECTIONS consecutively.

(Reference is to HB 1238 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 13, nays 0.

HASLER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture, Natural Resources and Rural Development, to which was referred House Bill 1244, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 15-4-10-24, AS AMENDED BY P.L.232-2001, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 24. (a) The council shall pay all expenses incurred under this chapter with money from the assessments remitted to the council under this chapter.

(b) The council may invest all money it receives under this chapter, including assessments, gifts, and grants, in any way allowed by law for public funds.

(c) The council may expend money from assessments and from investment income not needed for expenses for the purpose of market development.

(d) The council may not use money received, collected, or accrued under this chapter for any purpose other than the implementation of this chapter.

(e) The council may not expend more than ~~ten~~ twenty-five percent (25%) of the money it receives under this chapter for administrative expenses."

Renumber all SECTIONS consecutively.

(Reference is to HB 1244 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 13, nays 0.

BISCHOFF, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1245, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Delete pages 2 through 4.

Page 5, delete lines 1 through 9.

Renumber all SECTIONS consecutively.

(Reference is to HB 1245 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

L. LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Technology, Research and Development, to which was referred House Bill 1266, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 5 through 6.

Page 1, line 7, delete "2." and insert **"1."**

Page 1, line 9, delete "3." and insert **"2."**

Page 1, line 11, after "supplies" delete "and".

Page 1, line 12, delete "services".

Page 1, between lines 15 and 16, begin a new paragraph and insert: **"Sec. 3. As used in this chapter, "purchasing agency" has the meaning set forth in IC 5-22-2-25."**

Page 1, line 16, delete "shall" and insert **"may"**.

Page 2, line 1, after "for" insert **"the"**.

Page 2, line 1, after "sites" insert **"**

(A)".

Page 2, delete lines 2 through 3, begin a new line triple block indented and insert:

"(i) a purchasing agency;

(ii) a cooperative purchasing organization described in IC 5-22-4-7; and

(iii) the public;".

Page 2, line 4, before "to" double block indent.

Page 2, line 4, after "IC 5-22;" insert **"and**

(B) by other entities to facilitate purchases and sales conducted by other entities, if considered beneficial by the department;".

Page 2, line 33, delete "department shall cooperate with the following" and insert **"following shall cooperate with the department"**.

Page 2, between lines 36 and 37, begin a new line block indented and insert:

"(3) The attorney general.

(4) The auditor of state."

Page 2, line 40, delete "4-13-17-3." and insert **"4-13-17-2."**

Page 3, line 24, delete "4-13-17-3." and insert **"4-13-17-2."**

Page 3, line 29, delete "or services".

Page 4, line 11, delete "municipality" and insert **"governmental body"**.

Page 4, delete lines 17 through 18, begin a new paragraph and insert:

"Sec. 1. As used in this chapter, "purchasing entity" means an entity that may use an Internet purchasing site under rules adopted under IC 4-13-17-4."

Page 4, delete lines 19 through 20, begin a new paragraph and insert:

"Sec. 2. (a) A purchasing entity".

Page 4, line 21, delete "formed by two (2) or more municipalities,".

Page 4, line 22, delete "property, supplies, and services" and insert **"property and supplies"**.

Page 4, line 26, delete "agency" and insert **"entity"**.

Page 4, line 30, delete "agency" and insert **"entity"**.

Page 4, line 30, delete ":" and insert **"that:"**.

Page 4, line 31, delete "that".

Page 4, line 31, delete "agency's" and insert **"entity's"**.

Page 4, line 32, after "process" insert **", if required"**.

Page 4, line 33, delete "that".

Page 4, line 36, delete "that".

Page 4, line 36, delete "agency" and insert **"entity"**.

Page 4, line 39, delete "agency" and insert **"entity"**.

Page 5, line 3, delete "agency" and insert **"entity"**.

Page 5, line 6, delete "agency" and insert **"entity"**.

Page 5, line 19, delete "agency" and insert **"entity"**.

Page 6, delete lines 3 through 5, begin a new line block indented and insert:

"(2) provide access to Internet purchasing sites for the purposes of IC 4-13-17 and IC 5-22-7.5, both as added by this act, before January 1, 2005."

Renumber all SECTIONS consecutively.

(Reference is to HB 1266 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 14, nays 0.

HASLER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1268, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 9, line 2, delete "A report" and insert **"All records held"**.

Page 9, line 12, delete "is" and insert **"are"**.

Page 9, line 15, after "is" insert **"otherwise"**.

Page 10, after line 42, begin a new paragraph and insert:

"SECTION 11. IC 31-33-22-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. ~~An~~ (a) Except as provided in subsections (b) and (c), an individual who:

(1) knowingly requests, obtains, or seeks to obtain child abuse or neglect information under false pretenses; or

(2) knowingly falsifies child abuse or neglect information or records;

commits a Class B misdemeanor.

(b) An individual who violates subsection (a)(2) commits a Class D felony if the individual is a state employee and the victim who is the subject of the information or records suffers serious bodily injury as a result of the offense.

(c) An individual who violates subsection (a)(2) commits a Class C felony if the individual is a state employee and the victim who is the subject of the information or records dies as a result of the offense."

Page 11, line 20, delete "A" and insert **"Except as provided in subsection (c), a"**.

Page 11, line 32, delete "and".

Page 11, line 33, after "(2)" insert **"the sex offense referred to in subdivision (1) was committed by an adult who lives in the household with the child; and**

(3)".

Page 11, between lines 36 and 37, begin a new paragraph and insert:

"(c) Before a court determines that a child needs care, treatment, or rehabilitation under subsection (b)(3), a court must determine that voluntary services are inappropriate or have been unsuccessful."

Page 12, between lines 23 and 24, begin a new paragraph and insert:

"(d) This section does not affect a court's authority to take a child into custody or emergency custody under IC 31-34-2 if the court does not act on the basis of a presumption established

under this section."

Renumber all SECTIONS consecutively.

(Reference is to HB 1268 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 13, nays 0.

L. LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures, to which was referred House Bill 1301, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 6, delete "April 30, 2004," and insert **"January 1, 2005,"**.

Page 5, delete lines 35 through 37.

Page 5, line 38, delete "(2) Money" and insert **"money"**.

Page 5, run-in lines 34 and 38.

(Reference is to HB 1301 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

PELATH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Courts and Criminal Code, to which was referred House Bill 1302, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 7, nays 1.

DVORAK, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1308, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 13, nays 0.

PORTER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Technology, Research and Development, to which was referred House Bill 1325, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 13, nays 0.

HASLER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, Corporations and Small Business, to which was referred House Bill 1334, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, line 6, delete "IC 36-8-8-14.1(i);" and insert **"IC 36-8-8-14.1(h);"**.

Page 5, line 42, after "duty" delete "." and insert **", regardless of whether the death occurs before July 1, 2004, or on or after July 1, 2004."**

(Reference is to HB 1334 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

FRY, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures, to which was referred House Bill 1446, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning transportation.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 8-14-10-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 8. The department may use the money in the fund only to pay the following costs:

- (1) The cost of construction or reconstruction of a state highway.
- (2) The cost of acquisition of all land, rights-of-way, property, rights, easements, and any other legal or equitable interests acquired by the department for the construction or reconstruction of a state highway, including the cost of any relocations incident to the acquisition.
- (3) The cost of demolishing or removing any buildings, structures, or improvements on property acquired by the department for the construction or reconstruction of a state highway.
- (4) Engineering and legal expenses, and the costs of plans, specifications, surveys, estimates, and any necessary feasibility studies.
- (5) Payment of rentals and performance of other obligations under contracts or leases relating to projects securing bonds issued under ~~IC 8-14-5~~ IC 8-14.5-6.

SECTION 2. IC 8-14-10-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. (a) The crossroads 2000 fund is established for the purpose of constructing or reconstructing state highways. The crossroads 2000 fund consists of distributions received under IC 9-29-1-2, IC 9-29-15-1, IC 9-29-15-3, and IC 9-29-15-4.

(b) The crossroads 2000 fund shall be administered by the department. The treasurer of state shall invest the money in the crossroads 2000 fund not currently needed to meet the obligations of the crossroads 2000 fund in the same manner as other public funds may be invested.

(c) Money in the crossroads 2000 fund at the end of a state fiscal year does not revert to the state general fund.

(d) The department may use the money in the crossroads 2000 fund only to pay the following costs:

- (1) The cost of construction or reconstruction of a state highway.
- (2) The cost of acquisition of all land, rights-of-way, property, rights, easements, and any other legal or equitable interests acquired by the department for the construction or reconstruction of a state highway, including the cost of any relocations incident to the acquisition.
- (3) The cost of demolishing or removing any buildings, structures, or improvements on property acquired by the department for the construction or reconstruction of a state highway.
- (4) Engineering and legal expenses, and the costs of plans, specifications, surveys, estimates, and any necessary feasibility studies.
- (5) Payment of rentals and performance of other obligations under contracts or leases relating to projects securing bonds issued under ~~IC 8-14-5~~ IC 8-14.5-6.

SECTION 3. IC 8-14-10-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 10. (a) The grant anticipation fund is established to construct and reconstruct state highways. The grant anticipation fund consists of distributions of federal transportation revenues (as defined in IC 8-14.5-7-1) made under IC 8-23-3-11.

(b) The grant anticipation fund shall be administered by the department. The treasurer of state shall invest the money in the grant anticipation fund not currently needed to meet the obligations of the grant anticipation fund in the same manner as

other public funds may be invested. Interest that accrues from these investments shall be deposited in the grant anticipation fund.

(c) Money in the grant anticipation fund at the end of a state fiscal year does not revert to the state general fund.

(d) The department may use the money in the grant anticipation fund only to pay the following costs:

- (1) The cost of construction or reconstruction of a highway improvement project.
- (2) The cost of acquisition of all land, rights-of-way, property, rights, easements, and any other legal or equitable interests acquired by the department for the construction or reconstruction of a highway improvement project, including the cost of any relocations incident to the acquisition.
- (3) The cost of demolishing or removing any buildings, structures, or improvements on property acquired by the department for the construction or reconstruction of a highway improvement project.
- (4) Engineering and legal expenses and the costs of plans, specifications, surveys, estimates, and any necessary feasibility studies.
- (5) Payment of rentals and performance of other obligations under contracts or leases relating to highway improvement projects securing grant anticipation revenue bonds or notes issued under IC 8-14.5-7. However, amounts in the grant anticipation fund may not be pledged to such payments.

(e) A holder of grant anticipation revenue bonds or notes issued under IC 8-14.5-7 may not compel the payment of federal transportation revenues to the department.

SECTION 4. IC 8-14.5-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. "Bonds" refers to bonds of the authority issued under IC 8-14.5-6 or IC 8-14.5-7.

SECTION 5. IC 8-14.5-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 8. "Notes" refers to notes of the authority issued under IC 8-14.5-6 or IC 8-14.5-7 and includes any evidences of indebtedness of the authority except bonds.

SECTION 6. IC 8-14.5-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. The department shall pay lease rentals for leases entered into under this chapter and securing bonds issued under IC 8-14.5-6 from revenues transferred to the state highway road construction and improvement fund or the crossroads 2000 fund before making any other disbursements from those revenues. ~~The department shall pay lease rentals for leases entered into under this chapter and securing grant anticipation revenue bonds or notes issued under IC 8-14.5-7 from federal transportation revenues (as defined in IC 8-14.5-7-1) transferred to the grant anticipation fund before making any other disbursements from the grant anticipation fund.~~

SECTION 7. IC 8-14.5-7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]:

Chapter 7. Grant Anticipation Revenue Bonds and Notes

Sec. 1. As used in this chapter, "federal transportation revenues" means:

- (1) money and obligation authority apportioned or allocated, or anticipated to be apportioned or allocated in the current federal fiscal year or a future federal fiscal year, to Indiana by the United States Department of Transportation under 23 U.S.C., as amended, for use on a project; or
- (2) other federal money that may be used for a project and is available or anticipated to be available in the current federal fiscal year or a future federal fiscal year.

Sec. 2. As used in this chapter, "grant anticipation revenue bond" or "grant anticipation revenue note" means a bond or note, respectively, secured by lease rentals relating to highway improvement projects and anticipated to be paid from federal transportation revenues deposited in the grant anticipation fund.

Sec. 3. As used in this chapter, "highway improvement project" means a project for which the department may use federal transportation revenues.

Sec. 4. The authority may, by resolution, issue grant anticipation revenue bonds or notes for any purpose that is

authorized by IC 8-14.5-6 and for which the department may use federal transportation revenues.

Sec. 5. (a) Before grant anticipation revenue bonds or notes may be issued under this chapter, the department shall prepare a revenue declaration providing a specified amount or percentage of federal transportation revenues received by the state during a state fiscal year to be deposited in the grant anticipation fund and the number of years those deposits shall be made. A revenue declaration prepared under this section is subject to approval of the budget agency and the authority.

(b) The total amount of lease rentals securing grant anticipation revenue bonds or notes issued under IC 8-14.5-7 and scheduled to be paid during any state fiscal year, determined as of the date of issuance of each series of grant anticipation revenue bonds or notes, may not exceed an amount equal to the greater of:

- (1) sixty million dollars (\$60,000,000); or
- (2) fifty percent (50%) of the remainder of:

(A) the total amount of federal transportation revenues apportioned or allocated to the department during the federal fiscal year immediately preceding the state fiscal year in which such series of bonds or notes is issued; minus

(B) seven hundred sixteen million seventy-four thousand three hundred eighteen dollars (\$716,074,318), which is the total amount of federal transportation revenues apportioned or allocated to the department during the federal fiscal year beginning October 1, 2001, and ending September 30, 2002.

(c) All other provisions of IC 8-14.5-6 apply to the issuance of grant anticipation revenue bonds or notes under this chapter.

Sec. 6. Grant anticipation revenue bonds or notes:

- (1) constitute the corporate obligations of the authority;
- (2) do not constitute an indebtedness of the state within the meaning or application of any constitutional provision or limitation; and
- (3) are payable solely as to both principal and interest from:
 - (A) the revenues from a lease to the department, if any;
 - (B) proceeds of bonds or notes, if any; or
 - (C) investment earnings on proceeds of bonds or notes, if any.

SECTION 8. IC 8-23-3-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 11. Notwithstanding any other provision of this chapter, if grant anticipation revenue bonds or notes have been issued under IC 8-14.5-7, the department shall collect or cause to be collected federal transportation revenues (as defined in IC 8-14.5-7-1) and shall, as provided by the department in the revenue declaration relating to the issuance of the grant anticipation revenue bonds or notes, deposit or cause to be deposited the specified part of the federal transportation revenues in the grant anticipation fund.

(Reference is to HB 1446 as introduced.)
and when so amended that said bill do pass.

Committee Vote: yeas 6, nays 3.

PELATH, Chair

Report adopted.

OTHER BUSINESS ON THE SPEAKER'S TABLE

Referrals to Ways and Means

The Speaker announced, pursuant to House Rule 127, that House Bills 1014, 1018, 1116, 1138, 1154, 1157, 1205, 1238, 1244, 1245, 1266, 1268, 1301, 1302, 1308, 1325, 1334, and 1446 had been referred to the Committee on Ways and Means.

The Speaker announced that House Bill 1090 had been recommitted to the Committee on Ways and Means.

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Engrossed Senate Bills 17, 35, 43, 60, 71, 72,

85, 86, 95, 161, 165, 176, 180, 211, 217, and 292 and the same are herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed House Concurrent Resolutions 9, 10, 11, and 12 and the same are herewith returned to the House.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Senate Concurrent Resolution 9 and the same is herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Thursday, January 29, 2004 at 10:30 a.m.

CHOWNING

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Ruppel be added as coauthor of House Bill 1014.

C. BROWN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Chowning be added as coauthor of House Bill 1030.

POND

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Summers be added as coauthor of House Bill 1042.

BUELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Bardon be added as coauthor of House Bill 1050.

HINKLE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Thomas be added as coauthor of House Bill 1062.

FOLEY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Pond be added as coauthor of House Bill 1070.

BISCHOFF

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Hasler be added as coauthor of House Bill 1072.

BISCHOFF

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Chowning and Reske be added as coauthors of House Bill 1094.

KOCH

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Thomas be added as coauthor of House Bill 1105.

BECKER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Richardson be added as coauthor of House Bill 1138.

STILWELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Crooks removed as author of House Bill 1150, Representative Fry be substituted as author, and Representative Ripley be added as coauthor.

CROOKS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Crooks be added as coauthor of House Bill 1150.

FRY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Messer be added as coauthor of House Bill 1188.

RESKE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative D. Young be added as coauthor of House Bill 1190.

STEVENSON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Summers be added as coauthor of House Bill 1221.

D. YOUNG

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Ruppel be added as coauthor of House Bill 1223.

T. ADAMS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Scholer be added as coauthor of House Bill 1225.

PORTER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives L. Lawson and D. Young be added as coauthors of House Bill 1228.

BARDON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Ruppel and Austin be

added as coauthors of House Bill 1241.

CHERRY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Duncan be added as coauthor of House Bill 1264.

DVORAK

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Foley and Cochran be added as coauthors of House Bill 1301.

BOTTORFF

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Fry be added as coauthor of House Bill 1341.

RIPLEY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Dickinson, Mahern, and Thompson be added as coauthors of House Bill 1360.

RICHARDSON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Dvorak and Stutzman be added as coauthors of House Bill 1394.

BOSMA

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative LaPlante be added as coauthor of House Bill 1404.

THOMAS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Pelath be added as author of House Bill 1449 and that Representative Ayres be added as coauthor.

PELATH

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Stutzman be added as coauthor of House Joint Resolution 3.

RIPLEY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Heim and Thomas be added as coauthors of House Joint Resolution 4.

KOCH

Motion prevailed.

Pursuant to House Rule 60, committee meetings were announced.

On the motion of Representative Goodin, the House adjourned at 6:00 p.m., this twenty-sixth day of January, 2004, until Thursday, January 29, 2004, at 10:30 a.m.

B. PATRICK BAUER

Speaker of the House of Representatives

DIANE MASARIU CARTER

Principal Clerk of the House of Representatives